

12/4/78 [1]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Hugh Carter to Pres. Carter, w/attachments 4 pp., re:OER for Maj. Robert Peterson	11/29/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 12/4/78 [1] Box 110

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THE PRESIDENT'S SCHEDULE

Monday - December 4, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Department of Defense Budget Overview.
(2-1/2 hrs.) (Mr. James McIntyre) - The Cabinet Room.

11:30 Mr. Jody Powell - The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.
(60 min.) The Oval Office.

1:30 People Magazine Interview. (Mr. Jerry Rafshoon).
(20 min.) The Oval Office.

2:15 Drop-By Black Leadership Meeting/Budget.
(30 min.) (Mr. James McIntyre and Mr. Louis Martin).
The Cabinet Room.

THE WHITE HOUSE
WASHINGTON

12-4-78

3/15-

Prepare letter of
appreciation to Army &
A Force ~~personnel~~
units who did such
a good job in
Guyana & Jonestown.

J

THE WHITE HOUSE
WASHINGTON

12-4-78

Phil.

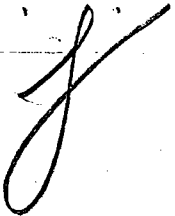
No more than 6-8
in advance party to
Guadalupe -

Don't appeal

J

ps entourage with
me will be minimal

J



THE WHITE HOUSE
WASHINGTON

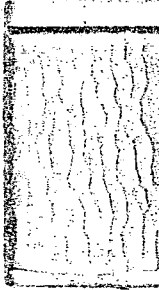

04 Dec 78

Bob Lipshutz
Landon Butler

The attached was returned in
the President's outbox today.
It is forwarded to you for
appropriate handling. The
original has been given to
Bob Linder for handling.

Rick Hutcheson

cc: Bob Linder



THE WHITE HOUSE
WASHINGTON

December 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*
LANDON BUTLER

RE: Emergency Board Re Air Alaska

On November 2, in response to a requirement of the Airline Deregulation Act, you created an Emergency Board to investigate a labor dispute involving Air Alaska. You appointed John Gentry to Chair the three member Board.

Gentry is about to assume the principal labor relations post with CWPS and for that reason has resigned his position as Chairman of the Emergency Board. Attached is Gentry's resignation, as well as a letter from you accepting it.

Also attached are letters for your signature appointing Emergency Board member Paul Guthrie as Chairman in place of Gentry, and appointing Laurence Seibel as the third Board member.

Under the terms of the order establishing the Board, it was to report to you today, December 2. The Board has been working on this matter but has been unable to conclude its investigation. For that reason, the parties to this dispute have agreed to extend the reporting deadline to January 15.

Both Secretary Marshall and the National Mediation Board recommend that this extension be approved, and we concur. (The same procedure for extending the reporting period was earlier used for the Emergency Board created to investigate the rail strike.)

☒ Approve Extension ☐ Disapprove

(FOUR SIGNATURES NEEDED)

J

THE WHITE HOUSE

WASHINGTON

To John Gentry

I appreciate your reasons for requesting
to be excused from continued service on
Emergency Board No. 95-504 and hereby
accept your resignation.

Sincerely,

Jimmy Carter

Mr. John N. Gentry
1211 Connecticut Avenue, N.W.
Washington, D. C. 20036

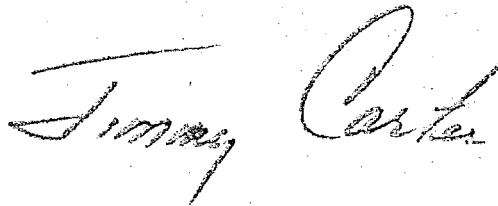
THE WHITE HOUSE
WASHINGTON

To Paul Guthrie

Mr. John Gentry has resigned from service on
Emergency Board No. 95-504 and accordingly
the position of chairman is now vacant.

I hereby designate you as the chairman of
Emergency Board No. 95-504 vice John Gentry.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Dr. Paul N. Guthrie
Department of Economics
Gardner Hall
University of North Carolina
Chapel Hill, North Carolina 27514

THE WHITE HOUSE

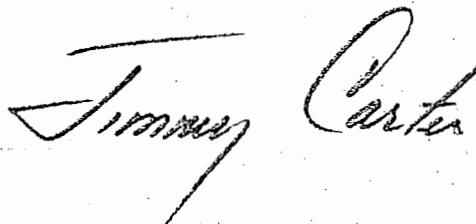
WASHINGTON

To Laurence Seibel

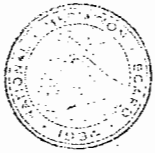
Pursuant to the Railway Labor Act, as amended, I created by Executive Order an Emergency Board to investigate a dispute between Wien Air Alaska and the Air Line Pilots Association, International. The functions and duties of the Emergency Board are set forth in the Railway Labor Act, as amended, and the Executive Order creating the Board.

I am pleased to learn that you are willing to serve on this Emergency Board, and accordingly, I hereby appoint you as a Member of the Board. This letter will constitute your appointment and your authority to act as a Member of the Board. Each member of the Board is to receive compensation at the rate of \$175.00 per day for each day that he is actually engaged in the performance of his duties or in travel in connection therewith. In addition, each member of the Board will be allowed the authorized per diem in lieu of subsistence while so engaged away from his home or his regular place of business.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

Mr. Laurence E. Seibel
5523 Uppingham Street
Washington, D. C. 20015



NATIONAL MEDIATION BOARD
WASHINGTON, D. C. 20572

OFFICE OF THE CHAIRMAN

December 1, 1978

Emergency Board No. 95-504

The President
The White House

Dear Mr. President:

Reference is made to Executive Order No. 12095 dated November 2, 1978, creating an Emergency Board under the provisions of Section 44 of the Airline Deregulation Act of 1978 (Public Law 95-504) to investigate a dispute between Wien Air Alaska, Inc., and Certain Individuals. The Members of the Board were appointed by you on November 14, 1978.

Under the terms of this executive order the Emergency Board is required to report its finding to you on or before December 2, 1978.

We have been advised by the Emergency Board that it does not appear possible for them to conclude their investigation and report on this dispute by December 2, 1978. Consequently, the parties involved in this dispute have agreed by stipulation to an extension of time within which this Emergency Board shall report its findings to the President.

The National Mediation Board accordingly recommends that the extension of time be approved, permitting this Emergency Board to file its report and recommendations not later than January 15, 1979.

Respectfully,

A handwritten signature in cursive script, reading "David H. Stowe".

David H. Stowe
Chairman

APPROVED:

A handwritten signature in cursive script, reading "Jimmy Carter".

THE WHITE HOUSE

WASHINGTON

December 4, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ
STUART EIZENSTAT

SUBJECT:

Massachusetts Veterans' Preference Case

The Justice Department is today filing a discretionary "friend of the court" brief in a Supreme Court case challenging the veterans' preference statute used by the State of Massachusetts. That particular statute imposes a complete and absolute preference for veterans -- much broader than that in federal law. Justice is arguing that it is not unconstitutional for the state to use such a preference.

As a legal matter, Justice's analysis may be correct. We were concerned, however, that such a brief would be perceived as inconsistent with the Administration's policy of severely limiting veterans' preference in the federal sector.

For that reason -- and because Justice is under no obligation to file any brief in this case -- we first suggested to Justice that no brief be filed. (This course of action would have been acceptable to women's groups.)

When Justice informed us that a brief would be filed, we then worked to modify it to attempt to insure that the Administration's policy against veterans' preference would be clearly set forth. To a large extent we have been successful in this endeavor, and the brief is much more consistent with our policy than it had originally been.

It remains true, nevertheless, that filing any brief supporting the Massachusetts system will have adverse political repercussions among women's groups, by supporting the constitutionality of absolute veterans' preference in a case in which we are not a party.

WEDDINGTON/WEXLER
COMMENT

THE WHITE HOUSE

WASHINGTON

December 4, 1978

MEMORANDUM TO: The President

FROM: Sarah Weddington *S.W.*
Ann Wexler *Ann*

RE: Massachusetts Veterans' Preference Case

The memo from Stuart Eizenstat and Robert Lipshutz defines the background of the Massachusetts Veterans' Preference case.

The federal government is not a party to this litigation and we have no obligation whatsoever to intervene in the lawsuit in any way.

Those opposed to any filing of a brief include Ann Wexler, Scotty Campbell, the Civil Rights Division of the Justice Department, the Civil Division of the Justice Department, Ray Marshall, Eleanor Holmes Norton, and women's organizations. *and Sarah Weddington*

The only issue in the case is the constitutionality of an absolute preference for hiring veterans.

Even though attempts have been made by Stuart Eizenstat and Robert Lipshutz to work with the Justice Department to clarify the Administration's position regarding veterans' preference provisions, the reality of the situation is that the perception will be that the Administration is supporting the Massachusetts provision in favor of an absolute preference for veterans.

There are very few things that we will be able to do in a positive way for women because of the necessity for budget restraint. To file a brief that is viewed as opposing them and in favor of veterans' preference just before the Memphis meeting will cause great disruption and frenzy.

ID 786054

T H E W H I T E H O U S E

WASHINGTON

DATE: 04 DEC 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

JODY POWELL

JERRY RAFSHOON

JACK WATSON

ANNE WEXLER

SARAH WEDDINGTON

SUBJECT: LIPSHUTZ, EIZENSTAT MEMO RE MASSACHUSETTS VETERANS'

PREFERENCE CASE

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

7:35 p.m.
Sunday

THE PRESIDENT AND MRS. CARTER'S VISIT TO
THE KENNEDY CENTER AWARDS GALA

Sunday, December 3, 1978

Attire: Black Tie

7:35 pm The President and Mrs. Carter board motorcade
on South Grounds.

MOTORCADE DEPARTS South Grounds en route
Kennedy Center.

(Driving time: 5 minutes)

7:40 pm MOTORCADE ARRIVES Kennedy Center (Loading
Dock 2).

PRESS POOL COVERAGE
CLOSED ARRIVAL

The President and Mrs. Carter proceed to
Opera House.

7:43 pm The President and Mrs. Carter arrive Opera House
Presidential Box.

The President and Mrs. Carter will be
met by:

Mr. and Mrs. Roger Stevens, Chairman,
Board of Trustees, Kennedy Center (Christine)

The President and Mrs. Carter and Mr. and Mrs.
Stevens proceed inside Presidential Box and take
their seats.

7:45 pm Kennedy Center Awards Program begins.

VIDEOTAPE TV COVERAGE (AIRED TUESDAY)
PRESS POOL COVERAGE

NOTE: At 8:45 pm there will be a 10-minute
intermission.

10:00 pm Program concludes.

The President and Mrs. Carter bid farewell to Mr.
and Mrs. Stevens and proceed to motorcade for
boarding.

10:05 MOTORCADE DEPARTS Kennedy Center en route
South Grounds.

(Driving time: 5 minutes)

10:10 pm MOTORCADE ARRIVES South Grounds.

45 1937-45
GEO BALANCHINE = GREATEST CHOREO
Electrostatic Copy Made
for Preservation Purposes
20th CENTURY - ALL TIME
NYC BALLET - MOST CREATIVE
DANCE CO. IN WORLD

= RICHARD RODGERS 1st 1925
QUANTITY ONLY
MATCHED BY QUALITY
RODGERS/HART. RODGERS/HAMMERSTEIN
2 PEOPLE
NATION'S MOST FAMOUS COMPOSER

= ARTHUR SCHENSTEIN Most Beloved
of CONCERT PIANISTS
1st US TOUR 1903
JOY OF HIS OWN LIFE
POETIC - LYRICAL = TENDER
WARM - COMPASSIONATE

white house reception 12/3/78
re Kennedy center awards gala

POLITICS 2nd OLDEST PROF. RELATED
OLDEST OF PERFORMING ARTS
"ALWAYS LEAVE THE PUBLIC WANTING MORE"

= Perhaps
2 Greatest CONTRIB OF U.S.
STRENGTH OF POLITICS
VITALITY of Am ART & CULTURE
MORE PEOPLE - ALL KINDS
PERFORMING - ART BEING MADE
DANCE, MUSIC, PLAY

= GREATNESS - WORK SPEAKS
= MARIAN ANDERSON = Long Gold Medal
ANDERSON - COURAGE - VITALITY
GOODWILL AMB. - UN DELEGATE
= FRED ASTAIRE - STYLE, TASTE, CLASS
IMAGE = EFFORTLESS EASE / GRACE
WORLD'S IMAGINATION

THE WHITE HOUSE
WASHINGTON

04 Dec78

FOR THE RECORD:

RAFSHOON HAS COPY, PRESIDENT
HAS ORINGINAL.

Susan -
orig → me
J

THE WHITE HOUSE

WASHINGTON

December 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON
GREG SCHNEIDERS
BERNIE ARONSON

SUBJECT: Mid-Term Democratic Conference Speech,
December 8

cc: Jerry -
Hurriedly:

- a) No "memorable" word
- b) often quite weak
- c) Too long - no news
- d) I'll work on it tonight
He submit 3rd draft late
today
- e) Let Achsah help

IC

The enclosed draft stresses two dominant themes.

1. We are solving long-neglected problems.
2. We are unlocking the greatness in the American people.

It combines the two dominant aspects of your leadership; problem solver and visionary; engineer and moral leader.

It begins by placing you in the tradition of the Democratic mainstream as you asked. The rest of the speech is divided into 4 subparts.

1. Solving the problems of government
2. Solving the problems of the economy
3. Solving the problems of human needs
4. Solving the problems of foreign policy and peace

This is one of the most important political speeches of your Presidency. To the press you are Daniel going into the lion's den to confront the left wing of the party. How you emerge will greatly influence next year's coverage of Democratic Party politics. Reporters can fan the flames of speculation about possible challenges to your leadership or they can downplay them depending on the reaction to your speech by the audience.

This speech, we believe, shows you at your best: in control, with a deep understanding of the issues and problems facing our nation and a vision of where you are leading. On virtually every issue it pre-empts any likely attack from either wing of the Party. It is Carter sober, responsible, effective yet visionary, uplifting, confident. It addresses the principal concerns of the groups which make up the Democratic Party. It builds on the themes you first voiced in your campaign.

We think it is very important for political reasons that you be interrupted frequently by applause. The rhetoric and sentence structure of this speech has been carefully designed to achieve that affect throughout. You may feel it is necessary to reduce the length somewhat. If you do, we would very much like to make suggested cuts, ourselves, because we want to make sure that the applause lines and the way they are set up is preserved throughout the speech. We would strongly caution against wholesale cuts in the text. We have underlined the last two words in each possible, and likely, applause line to indicate their number and frequency.

"WE ARE SOLVING AMERICA'S PROBLEMS; WE ARE UNLOCKING THE
GREATNESS OF THE AMERICAN PEOPLE"

xx delete
x abbreviate

Remarks of the President at the
Mid-Term Democratic Conference
December 8, 1978

My name is Jimmy Carter and it feels good not

to have to finish the sentence any more.

It is an honor and a privilege to speak before the
most open, honest, decent and progressive political party
in the world today, the Democratic Party.

Woodrow Wilson said a political party exists to serve
a large and urgent purpose. Our Party has met that
challenge time and again.

When the Depression shattered the lives and spirit
of the American people, Franklin Roosevelt and our Demo-
cratic Party led America back to economic security and
hope. When the future of democracy in post-war Europe was
in doubt, Harry Truman and our Democratic Party ensured

xx

the survival of freedom through the Marshall Plan. And when an uncontrolled nuclear arms race threatened mass destruction, John F. Kennedy and our Democratic Party took the first, crucial steps through the Test Ban Treaty towards sanity and peace.

I am proud to be a member of the Democratic Party.

It was a Democratic President, Lyndon Johnson, who answered the moral challenge of the civil rights movement by proclaiming "We Shall Overcome". And we are the Party of a man who never gained the Presidency but transformed our nation and all of us as much as any President with his spirit and his optimism, his love, Hubert Humphrey.

We are the oldest continuing political party in the world today because we share a vision with the American people of the greatness of our country and of all we know America still can become.

We are a young people. We are a pioneer nation. There is a spirit of courage and caring and imagination in the American people, a pride in hard work, independence, and self-reliance. And there is a spirit of decency and caring for others and compassion for people in need. Our's was the first nation founded on the ideals of freedom and equal justice and human rights.. In our proudest times, America has been a force for peace and hope around the world. X

That greatness; those dreams; that idealism in the American people has never been lost. But for too many years our leaders did not reflect it. The challenge of government is to unlock the great potential in the American spirit and set it free, but for too many years our government failed that challenge. X

We passed through one of the most difficult, painful periods in American history this past decade. We witnessed

a tragic war abroad and bitter division at home. We saw the dreams and hopes of millions of Americans broken on unemployment lines. We saw rising inflation erode the value of savings and hard work. We saw secrecy and spying in our government and the betrayal of our nation's highest public trust. Let us never witness such a decade in America again.

We pledged new leadership for America in 1976. We pledged to face the difficult, complex problems that had been ducked and ignored and swept under the rug for so long. We pledged open, honest, compassionate, efficient government in which the American people could take pride. And we pledged leadership that would speak to the deepest values we hold as a nation and the highest aspirations of mankind.

We face great challenges still. But there is a new mood in America today. The best in the American spirit

is rising once again. There is new confidence and hope.

We have joined together fully as one people, North and South. We are moving forward as one nation steadily, responsibly, with persistence. We are tackling the problems of our economy, of the energy crisis, in our cities and neighborhoods, in education, and health care, and the environment and we are beginning to see results. America has regained its place of pride in the world community.

← X

We are solving the problems of America. We are unlocking the greatness of the American people once again.

xx
reph

Government is highest expression of a free peoples' will. But when that government operates in secret, when it is complicated, and bloated, and impossible to understand the most powerful, best financed lobbies have all the advantages. The average citizen, the poor, and the

↓
X

weak -- who seek no special favors -- do not stand a chance. We are unlocking the greatness of American democracy.

We have torn down the walls that separated the American people from their government too long. We have stripped away the cloaks of secrecy. We have passed new Ethics legislation in the Congress. The government of the United States belongs to the people of the United States once again -- not to the power brokers.

We have safeguarded the privacy of Americans with restrictions on wiretaps. No law-abiding citizen should live in fear that the agencies mandated to protect his liberty, will, in fact, be used to subvert it.

Instead of
~~We have replaced~~ leadership by veto and government by
we now have
stalemate ~~with~~ a new Democratic Partnership: President and Congress; Governors and Mayors; Legislators and local officials. And I would like to say that the United

States Congress ^{has} have rarely been served by two more able, respected, decent, leaders -- and no President has had two better allies -- than Speaker of the House Tip O'Neill and Majority Leader Robert C. Byrd. ^P For the first time in 200 years the Office of Vice President carries the responsibility it deserves. I know each of you shares my respect ^{← weak} for the leadership of Fritz Mondale.

Republicans say they want to run government in the ^{← ok, but more} worst possible way, and they usually do. We have breathed new vigor, new life and new efficiency into the Federal ^{← Repubs helped on this} bureaucracy with the first major reform of Civil Service in nearly 100 years.

We Democrats do not believe that government is the answer to every problem or a substitute for private initiative. But I have seen the power of electricity through REA, transform the life of a young farm boy in the rural South. I have seen; Rosalynn has seen; the eyes of a retarded child come

alive for the first time through a program for mental health. *weak*

When government fails; when services are not delivered; when tax dollars are squandered, those who suffer most are those who are most in need. Only a competent government can be compassionate. ?

Red tape and paperwork that keeps teachers from their classrooms robs all our children of the education they deserve. We want to free teachers to teach. We are streamlining bureaucracy. We are cutting red tape; excess regulation of small business; and unneeded paper work.

help to
Every dollar lost through fraud and abuse could, educate another handicapped child; train an unemployed teenager in a skill; build a decent home for a family; or nurse an older American back to health. Tax dollars should meet human needs, not line the pockets of chisellers and crooks. As President I serve notice that this administration will continue to

root out every instance of fraud and abuse in the Federal government. And we will prosecute ^{the guilty} to the full extent of the law.

We are solving the problems of the economy. The genius, the imagination, the prosperity of a free people in a free economy is unequalled by any economic system in the world. We are unlocking the potential of American free enterprise.

← 9/16
↓
X

Together, we have created a record 6.5 million new jobs in the past two years. We have reduced unemployment more than 25 per cent. There are 1.5 million men and women in our country today supporting themselves and their family; no longer dependent on welfare and unemployment insurance; contributing tax revenues instead of draining them, who were standing on unemployment lines in 1976.

Change
order
of
Sentence

The Republicans say they are the party of work, not

welfare. But our Democratic Partnership has removed 450,000

Americans from this nation's welfare rolls by putting the

food stamps American economy back on its feet. [Let us join together and

create a humane, new welfare system that will put [thousands

more Americans to work, and)

Republicans promise tax cuts. Our Democratic Partnership has cut taxes \$ _____ billion in two years.

An economy in deep recession two years ago has grown a healthy 7 1/2 per cent. A housing industry that was in a depression is producing 2 million new houses a year. Corporate profits have increased 30 per cent. Alben Barkley put it well: "If you want to live like a Republican, be sure to vote for the Democrats."

Strengthened

(Republicans claim to champion free enterprise. But our Democratic Partnership has stripped government regulation off the airline industry.) We have stimulated new competition, record profits, and the lowest airfares in

surface transportation

 years. Let us deregulate the trucking industry
next year.


We are unlocking the greatness of America's agriculture
once again. America's farmers are the most productive in
the world. The previous administration straitjacketed our
farmers by ^{*side of grain*} embargoing ^{*boosting middle man profits,*} [their products] and interfering
with ^{*farmers*} their decisions. Our Democratic Partnership has ^{*begun to*} freed
their hands. American farm exports, which are so vital to
our balance of payments, have broken all records each of
the past 2 years. Farm income is up 25%. The American
^{*have long what they are beginning to get--*} farmers ^{*deserved*} a decent income.

We are solving the problems of the energy crisis which
have warped our economy for too long. We must have secure, ample
supplies of energy, at reasonable prices, for continued economic
growth and to protect our security. Our Democratic Partner-
ship faced the energy crisis not because we thought it would

7
X

be popular, but because a great nation does not run from its problems or mortgage its future away.

Harry Truman spoke for this administration and our Party when he said: "We do not propose like some people to meet today's problems by saying they do not exist, and tomorrow's problems by wishing tomorrow would not come."

We face continuing challenges in energy. But we have the will and the vision to meet them. I see an America of the future strong and secure, free from fear of energy shortages. I see American technology and genius harnessing solar power to millions of buildings and homes. I see a new solar energy industry employing thousands of Americans; and new hope through American leadership for energy-starved nations throughout the world. Will you join me in that great adventure? 

The Democratic Party is the party of fiscal responsibility. The Republicans ran up the highest deficit in

America's peacetime history. We^{have met the needs of America,} produced real economic growth
^{have already budget} and ^{the deficit even} cut that deficit \$30 billion. We must cut^a more, and we
will.

*Inflation is robbing those whom
we want to help*

Rising inflation threatens all our gains and all our
hopes. It threatens jobs, decent incomes, and continued
economic growth. It cruelly gouges^{those for whom we have greatest concern:} working families; the
pensioner; the widow; the senior citizen;^{the} the poor. Infla-
tion breeds a narrow politics of selfishness and fear. It is
an illusion to believe we can maintain compassionate, pro-
gressive government if we do not bring inflation under con-
trol.

Every American; every group; each one of us; must do
our part, and government must lead. I have set out my budget
goals. I am determined to meet them. Short-term sacrifices
must be made. But we will make them fairly. ^{[We will never}
abandon[]] those who are most in need.

*If we can, it will
be to favor*

I am asking you to look beyond the short term to the common future we can share. We are a strong, vital, dynamic, growing nation. If each of us does our part; if we can look beyond our own self-interest and join together to control inflation now; we can lay the foundation for a new era of American prosperity. We can build an economy with stable prices; decent incomes; and expanding opportunity for all; an economy which offers new jobs to the unemployed; new resources to meet our pressing problems; new security for our nation and new hope for the American people.

X
or
XX

As President, I have no higher priority today than to bring inflation under control. As Democrats we have no greater challenge. Let us move towards that new economic era together. ← ?

While we control inflation, we will continue on
[Even within the constraints of a tight budget, we are making]

steady progress in meeting human needs. Most of us have the same dreams for our children -- a chance to learn with a quality education; to be protected against the ravage of disease; to

grow up in a decent, thriving neighborhood; to know the taste of clean water, the smell of fresh air, and the vision of natural beauty our generation has seen. And we want our children, as our Constitution promises, to live in a society where the limit to opportunity is your God-given talent and determination, not the color of your skin, your religious belief, your ethnic background, your sex, or the language that you speak.

Our Democratic Partnership is unlocking opportunity in America again.

After eight years of vetoes, impoundments, and cuts we
-- in less than two years --
have added more new resources to educate our children than ever before. 500,000 more handicapped children are receiving help today; 200,000 more children of migrant workers; 125,000 more children who do not speak English as their native language. For the first time in our history, every young American today who wants to go to college or vocational school, is eligible

for a student loan or grant. Let us continue to restore education to the central place it deserves in American life by creating a new Department of Education in the Cabinet next year.

We are fighting for decent health care [as we have done so many times in the past] _____ million children from low-income families have been immunized against crippling disease because of our Democratic Partnership. No American should be reduced to poverty, or bankruptcy, or a lifetime of debt. . . or be forced to go without needed health care because of the cost of medical care. ^{We must} [Let us] protect the health and the pocketbooks of the American people. ^{We must} [Let us] pass legislation to hold down the rise in hospital costs. That ^{an} ^{element in reaching} [first] essential [step will lead us towards] the goal we Democrats share -- a system of national health ^{Care} [insurance] protecting every American.

We are unlocking the greatness of America's cities once

again. There are people all over our nation who care about their neighborhoods. Many have been struggling against great odds to rebuild their communities with decent housing; to attract new industry and jobs: to raise their families with sunlight and green spaces, free from crime and fear. The people of New York City today are putting their finances back in order. They are facing their future with new hope because of our commitment in the Democratic Party.

Let us build on the progress we have made through targeted aid and our new urban policy. Let us join with the ~~Democratic Mayors~~ to leverage billions in private investment for our nation's cities and rural centers. Let us pass in the Congress next year a National Development Bank.

We are acting to preserve and protect our natural environment. Last week, I designated _____ million acres of federal land in Alaska a wilderness preserve. We have enacted strip mine protection and tough standards on clean water and air.

expand
the
environ-
mental
achievement

We have the wisdom and the imagination as a people to have the economic growth and jobs we need and to pass on our precious land, water, air, and natural beauty unspoiled to the next generation.

xx
xx

Our Democratic Partnership has reaffirmed this nation's historic commitment to equal rights. The civil rights revolution liberated both White and Black, both North and South. As President, I will always enforce both the spirit and the letter of our civil rights laws. This administration will continue to support affirmative action.

Weak

→

We have forged the strongest instrument for equal opportunity in our history by reorganizing civil rights enforcement. Heading ^{all} key agencies are men and women committed to equal rights. When Americans come to this government seeking justice, they will find someone who knows what it is like

new to

to stand on the other side of the desk. ← ?

Together, as a Party, we extended the Equal Rights Amendment. Let us now go on to make the ERA the law of the land. *Weak*

Every older American deserves a life of security and dignity, free from poverty, dependence, and need. Our Democratic Partnership faced the tough decisions and ^{*we have*} saved the Social Security system from bankruptcy. No older American who depends on a Social Security check need live in fear today.

removed age discrimination

All across America, our government and our people are ← ** turning towards goals of which we are proud. In our dealings with other nations, our country is supporting our highest *Weak* ideals again.

There is new confidence, and new support, and affection and respect for America around the world today. Our NATO

?

Alliance has been strengthened. Our friendships with our allies have been deepened. Our cooperation with our trading partners has been increased.

I remember for so many years dreading when the General Assembly would meet at the United Nations because I knew the country I loved would be vilified and castigated by other nations, large and small. Today, countries of the developing world are joining with our nation in a common commitment to *peace, democracy,* economic justice and development.

In Rhodesia, Namibia, South Africa, Latin America, and elsewhere, peoples struggling for freedom look to our nation with fresh eyes and new respect because we are struggling with them for democracy and majority rule. We have proven in our own hemisphere a great nation can be both strong and just in its relations with nations weaker than itself. I am proud that our country and the United States Senate had the courage and vision to begin a new era of cooperation with our

basic
human
rights

strengthen
justice

neighbors by ratifying the Treaties on the Panama Canal.

Our nation, conceived in liberty, is standing in defense of human rights. Woodrow Wilson spoke for every American when he said: "I would rather belong to a poor nation that was free than a rich nation that had ceased to be in love with liberty."

re order sentences

We live in a complicated, difficult world. We do not claim easy victories. But thousands of prison doors which once held innocent people have swung free. Courageous individuals around the world struggling to taste the freedom we enjoy know today they are not alone. Freedom will not be won overnight for many. We must perse~~vere~~vere every day, and every year. But I pledge to the American people and this convention, under my Presidency, America will never be neutral in the struggle for human rights.

Once Gain

Our nation is a force for peace around the world, ~~again~~ today.

For two years not one single American has fought or died in combat anywhere around the world. My deepest prayer as President is that when I leave this office I will be able to say no American (serviceman or woman) had to go to war.

Peace
for others
Cypriot, Rhodesia,
Namibia, etc.
Nicaragua, etc.

We have seen the President of Egypt and the Prime Minister of Israel, two bitter, longtime enemies, stand before the American people, clasping hands in a gesture of peace. The road to peace in the Middle East [^{'s}has been] difficult, frustrating, with deadlocks and delays. But I am confident that after 3,000 years of bloodshed and suspicion, a Treaty of Peace, just and durable, between the nation of Israel and the nation of Egypt will be signed.

We are striving to reduce our sales of conventional arms. America does not want the title "Arms Merchant of the World." I would rather other peoples see the letters "USA" printed on a bushel of American wheat than the bottom of a rifle butt.

Our nation's defense forces are stronger, more ready,
better equipped, and better trained than ever in our history.

My first career was in our military ^{submarine} service. I have no
higher commitment ~~today~~ than to ensure the security of our
nation. America's defenses will be second to no nation on
the earth. America's defense capability will be so strong
and clear, no nation will ever be tempted to test it.

Edit
carefully
for syntax
& grammar

And because our defenses are secure our nation can meet
the urgent challenge of limiting the spread and growth of
nuclear weapons of war. None of us want our children to grow
up in a frightening world where nuclear weapons are easily
available to dozens of nations, large and small, stable or un-
stable, with responsible leaders or madmen, or fall into the
hands of some crackpot terrorist group. We have acted in the
Congress to halt the spread of weapons-grade plutonium. We must
prevent the proliferation of nuclear weapons around the world.


← x

He will sign &
ratify a SALT
Treaty - E
to protect America's security and reduce the risk of nuclear
war


We are working every day to negotiate a new SALT Treaty
to protect America's security and reduce the risk of nuclear

2 P's
very
weak

war. Our generation of Americans has no more fundamental obligation to the next generation than to turn back the momentum of the nuclear arms race towards security, and stability, and peace. 7

An arms race out of control, pitting superpower against superpower, in a never-ending, ever most costly, unending race for greater nuclear arsenals escalates the risks of confrontation through a moment of madness, accident or fatal miscalculation. Let us join together with the American people to protect our security and our futures and ratify a sound, responsible, verifiable new SALT Treaty. 

As Democrats, and as Americans, we face great challenges and new responsibilities in the months and years to come.

But we have met great challenges before, as a Party and a people. At such a time Franklin Roosevelt spoke to the American people in words that speak to us today. He said: 

"To meet urgent responsibilities will take determination, and dedication, and hard work. But I believe America is ready to move from self-indulgence to self-denial. It will take will and effort. But I believe America is ready to work. It will take vision and boldness. But I believe that America is still bold."

xx

As we convene in this ~~th~~ convention of the Democratic Party we are proud of our heritage as Democrats; we are confident of our ability; and we are ready to lead. So let us stay true to the promise of the Democratic Party. Let us meet our urgent responsibilities. Let us be courageous. Let us show compassion. Let us strive for competence. And let us continue to dream great dreams. Together with the American people we can make our beloved nation all that we know it can be.

Let us?

We will!

Weak

Thank you.

#

THE WHITE HOUSE
WASHINGTON

04 Dec 78

Jody Powell
Phil Wise
Fran Voorde
Jerry Rafshoon

The attached was returned in
the President's outbox today.
It is forwarded to you for
your information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

December 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JJP*
RE : Interview Request

I have a request for an extended interview from Time Magazine for their first edition of the new year. The interview should run about 45 minutes to an hour and should take place at the end of the day rather than in the midst of a busy schedule.

Rafshoon agrees that this should be a must interview. He recommends, and I agree, that you consider having the correspondent, Larry Barrett, for supper at the White House and do the interview there. (Barrett may wish to bring one of his senior editors, which we should allow if he asks.) *XO*

Time has asked for the interview to be done between the 15th and the 18th of this month. We should try to accommodate if possible.

Agree

Disagree

✓ ok for late afternoon interview

(NOTE TO SCHEDULER: Please give me a call for some additional info on this request which I would prefer not to place in writing.)

THE WHITE HOUSE
WASHINGTON

December 4, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: FY 1980 Budget

I have checked with the OMB staff on your questions, and they indicate that under their recommendations to you there will be spending increases in FY 80 over FY 79 in the following areas:

- Food Stamps
- Child Nutrition
- Economic Development
- Assistance to Minority Businesses
- Civil Rights Enforcement
- Equal Opportunity Contract Compliance
- Education for Disadvantaged

OMB is reluctant, however, for you to indicate in this meeting that there will be increases in the above areas because a) the Cabinet officers have not yet been informed of your decisions and b) to get to \$30 billion or less you may later want to shave spending figures even below the OMB recommendation. I agree with that concern and recommend, instead of your indicating a commitment to specific increases, that you will pay particular attention to the above areas in your budget review. You might also indicate that the above areas, along with a number of others mentioned below, will receive special, careful consideration by you in the budget process.

In the employment area, it is particularly important that you not be too specific in this meeting. Under the OMB recommendation there will be substantial cuts below FY 79 in CETA funding and slightly smaller cuts in Youth Job funding. You can indicate, though, that in reviewing the CETA budget, you will take special care to make certain that the CETA slots are targetted to the most disadvantaged and to youths (this is the OMB recommendation about targetting). Under the OMB recommendation, there would be about a \$2.6 billion cut in CETA funding.

I would not mention specific numbers because of my concern that any number mentioned by you as a budget target or a goal will be given to the press immediately after this meeting by the Leadership Forum. I think it is preferable for you to avoid specific funding commitments at this meeting.

2:15 PM

7179-80

Jobs

C

THE WHITE HOUSE
WASHINGTON

MEETING WITH THE BLACK LEADERSHIP FORUM

Monday, December 4, 1978

2:15 p.m. (15 minutes)

The Cabinet Room

From: Stu Eizenstat *B.D. Blt*
Louis Martin *LM.*

I. PURPOSE

This is the third in a series of meetings you have had with the Black Leadership Forum, which is now chaired by Vernon Jordan. The group has been particularly anxious to have this meeting with you before final budget decisions are made. They are very concerned by reports of cuts in domestic programs and want to explain why they believe those cuts would be unwise.

The Forum requested this meeting several weeks ago, and its leaders were upset because they did not get an immediate response. As you may recall, they expressed their concern to the press.

II. FORMAT

Stu, Charlie, and Jim will brief the group on the economy, the anti-inflation program, and the FY'80 budget for approximately one hour before you arrive. The group will have a statement to read to you, after which we recommend you deliver a few remarks of a general nature emphasizing the seriousness of the inflation problem, your commitment and accomplishments in relation to minorities and the poor, and your intention to be fair and compassionate in the budget process. We do not think it necessary for you to entertain questions or discuss particular budget cuts. However, if the previous meetings are a guide, they will try to ask a few questions before you leave.

III. BACKGROUND AND PRESS PLAN

A. Background. This group is a cross-section of black political and economic leadership, several of whom have national prominence. They are aware of several published and unpublished accounts of the deep cuts allegedly contemplated in domestic spending programs affecting minorities and the poor: youth jobs, CETA, food stamps, social security, housing, and education. They may also

be concerned about potential reductions in areas such as urban policy, national health, and welfare reform. Although the briefing they will be given will emphasize that you have not made any decisions yet, they are likely to seek answers to a number of questions they have recently been asking:

- How are your contemplated cuts in CETA funding consistent with your commitment to implement Humphrey-Hawkins?
- What levels of unemployment do you foresee, and what levels will you tolerate in your anti-inflation drive?
- Is your 3 percent defense spending commitment inviolate?
- What efforts are being taken to ensure that your anti-inflation program does not hurt the poor and the minorities disproportionately?

The briefing will cover these concerns.

- B. Talking Points. Attached.
- C. Participants. A list of Forum participants is attached. Administration participants will be Stu Eizenstat, Charlie Schultze, Jim McIntyre, and Louis Martin.
- D. Press Plan. White House Press at the beginning of your remarks.

TALKING POINTS

1. I appreciate your coming to the White House to let us explain to you the serious economic and budget problems we face, and to hear your reactions. This meeting is important for you and for me.
 - In order to make my decisions, I depend on several advisors, including those who met with you today.
 - Your ideas and concerns can be reflected in the advice given me by these key members of my staff.
2. As you must know, I share your dreams for the welfare of all our people, and my record is a good one. While much more must and will be done, we have made important progress which should not be ignored:
 - Civil Rights: reorganization, strengthened EEOC.
 - Employment: record growth in jobs, CETA reauthorization, the Humphrey-Hawkins commitment to full employment without destructive levels of inflation.
 - Urban Policy.
 - Countless regulatory and administrative improvements which are often unnoticed, like anti-red-lining and doubling minority business procurement.
 - Record numbers of minority appointments to policy-making positions.
 - And so forth. The list is very long.
3. You have heard my advisors talk about our economic problems:
 - Inflation threatens both the progress we have made and the further progress we together hope for.
 - Inflation is not color-blind, because it hurts the disadvantaged and needy most, and minorities are disproportionately needy.
 - If we ignore inflation, there will surely be a serious recession, and the poor will suffer most.
4. Accelerating inflation means dreams deferred, and so I have decided that strong anti-inflation measures must not be

postponed, or watered down to win political plaudits in the short term.

- Controlling federal spending is an essential element of that effort.
- The budget will be painful for us all, and everyone must be prepared to bear some pain -- no program is exempt or immune from scrutiny.
- But I pledge to you that my advisors and I will do our utmost to distribute the burdens of fighting inflation in a fair and compassionate way. I will be consistent with the commitments I have voiced to you so many times before.

5. I appreciate your role as advocates and representatives of the people.

- I hope you can appreciate my duty, as a representative of the people, to keep my eye on the future.
- And to take steps now, perhaps painful steps, to guard that future.

6. As black leaders, you can do more than influence policy. You can be enormously helpful to us in explaining our policies to the nation's black community. And I very much want your help.

7. Finally, in addition to our work on next year's budget, we are beginning to shape our legislative agenda.

- I hope that you will stay in close touch with Louie, Stu, and Frank Moore, so that we can be guided by your thoughts on legislative priorities for the 96th Congress.

BLACK LEADERSHIP FORUM*

Berkeley Burrell
Executive Director
National Business League
4324 Georgia Avenue, NW
Washington, D. C.

Julius Chambers
Legal Defense & Educational Fund
NAACP
1790 Broadway
New York, New York 10019

Richard Hatcher
Mayor
City Hall
401 Broadway
Gary, Indiana 46402

Dorothy Height
National Council of Negro
Women
815 Second Avenue
New York, New York

M. Carl Holman
President, National Urban
Coalition
1201 Connecticut Avenue, NW
Washington, D. C. 20036

Jessee L. Jackson
Operation Push
930 East 50th Street
Chicago, Illinois 60615

Vernon Jordan, Jr.
President
National Urban League
500 East 62nd Street
New York, New York 10021

Coretta Scott King
Martin Luther King Center for
Social Change
234 Sunset Avenue, NW
Atlanta, Georgia 20314

Joseph Lowery
Southern Christian
Leadership Conference
334 Auburn Avenue, NE
Atlanta, Georgia 30303

Benjamin Hooks
Executive Director
NAACP
1790 Boradway
New York, New York 10019

Parren Mitchell
Chairman
Congressional Black Caucus
U.S. House of Representatives
Washington, D. C. 20515

Wallace D. Muhammand
World Community of Islam
in the West
2548 South Federal Street
Chicago, Illinois 60061

Leon Sullivan
Opportunities Industrialization
Center
NW Broad and Vanango Street
Philadelphia, Pennsylvania 19140

Herman "Pete" Starks
National Black Caucus of Local
Elected Officials
212 North Fruit
Youngstown, Ohio 44506

Baynard Rustin
A. Philip Randolph Institute
260 Park Avenue South
New York, New York 10010

Eddie N. Williams
President, Joint Center for
Political Studies
1426 E Street, NW
Washington, D. C. 20005



Telegram

LLE115 WAA094(1426)(4-029879E328)PD 11/24/78 1425
1978 NOV 24 PH 7: 15
ICS IPMMTZZ CSP
2023312400 TDMT WASHINGTON DC 101 11-24 0225P EST
PMS DOCTOR BERKELEY BURRELL NATIONAL BUSINESS LEAGUE, DLR
2000 K ST NORTHWEST
WASHINGTON DC 20005
THE FOLLOWING IS A COPY SENT THIS DATE TO PRESIDENT JIMMY CARTER:

WE ARE GRAVELY CONCERNED ABOUT REPORTS OF THE SCOPE AND SEVERITY OF
RECOMMENDED SLASHES IN PROGRAMS CRITICALLY AFFECTING THE POOR AND
MINORITIES WE AGAIN RESPECTFULLY REQUEST THAT YOU MEET WITH
REPRESENTATIVES OF THE BLACK LEADERSHIP FORUM BEFORE FINAL DECISIONS
REGARDING THE BUDGET HAVE BEEN MADE

VERNON JORDAN CHAIRMAN M CARL HOLMAN EXECUTIVE SECRETARY
CORRECT LIST BERKELEY BURRELL JULIUS CHAMBERS RICHARD HATCHER
DOROTHY HEIGHT M CARL HOLMAN BENJAMIN HOOKS JESSE JACKSON ELTON

SF-1201 (R5-68)



Telegram

1978 NOV 24 PH 7: 15

JOLLY VERNON JORDAN CORETTA SCOTT KING JOSEPH LOWERY PARREN
MITCHELL WALLACE MOHAMMED BAYARD RUSTIN HERMAN STARKES LEON
SULLIVAN AND EDDIE WILLIAMS
NNNN

THE WHITE HOUSE
WASHINGTON

04 Dec 78

FOR THE RECORD:

RAF SHOON HAS A COPY.



Handwritten signature

*Jerry - a) 2
quotes for
Memphis.
b) Data for anti-
fraud
J*

REMARKS OF

SECRETARY JOSEPH A. CALIFANO, JR.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BEFORE THE

NATIONAL PRESS CLUB

WASHINGTON, D. C.

NOVEMBER 29, 1978

THE CHALLENGE OF AUSTERITY

I HAVE SERVED IN GOVERNMENT, AS YOU KNOW, IN TWO VERY DIFFERENT ERAS: THE EXPANSIVE SIXTIES AND THE MORE HESITANT SEVENTIES. TODAY I WANT TO TALK ABOUT THE PROBLEMS AND OPPORTUNITIES PRESENTED BY BOTH PERIODS -- AND ABOUT THE IMPORTANCE IN BOTH, OF PROGRAMS TO SERVE THE NEEDIEST OF OUR PEOPLE.

JUST FIFTEEN YEARS AGO, THE AMERICAN PEOPLE, LED BY A PROGRESSIVE DEMOCRATIC PRESIDENT AND A LIBERAL MAJORITY IN THE CONGRESS, FACED THE CHALLENGE OF ABUNDANCE. BY THE MID-1960'S THE ECONOMY HAD BEGUN TO SPARKLE -- LITTLE INFLATION, INCREASED PRODUCTIVITY, SUBSTANTIAL REAL GROWTH, SHARPLY DECLINING UNEMPLOYMENT, REAL WAGES RISING STEADILY AND PROFITS ACCUMULATING AT UNPRECEDENTED RATES.

THE ECONOMIC PIE WAS GROWING. THE CHALLENGE FOR LIBERALS WAS TO MAKE SURE THAT SOME OF THIS PLENTY WAS RESERVED FOR THE MOST VULNERABLE CITIZENS AMONG US -- THE POOR, THE OLD, THE DISABLED, THE SICK, MINORITIES.

LED BY LYNDON JOHNSON AND UNDER THE BANNER OF HIS GREAT SOCIETY, WE MET THE CHALLENGE OF ABUNDANCE. MEDICARE FUNDED HEALTH CARE FOR THE AGED, MEDICAID FOR MANY OF THE POOR. THERE WERE HEAD START, FOOD STAMPS, CHILD NUTRITION, A HOST OF PUBLIC, COMMUNITY HEALTH AND ENVIRONMENTAL PROGRAMS. BILLIONS OF DOLLARS WERE APPROPRIATED TO ENERGIZE OUR SYSTEM OF ELEMENTARY AND SECONDARY EDUCATION. THE POVERTY PROGRAM, SENIOR CITIZEN CENTERS, REHABILITATION PROGRAMS FOR THE HANDICAPPED, BIOMEDICAL RESEARCH, HOUSING, AND VAST JOB TRAINING PROGRAMS -- ALL THESE AND MORE RECEIVED A GOODLY SHARE OF THE ABUNDANCE OF THE SIXTIES.

THE OPPORTUNITY OF ABUNDANCE -- WITH MORE REAL INCOME FOR EVERYONE -- BECAME THE BACKDROP AGAINST WHICH THE GREAT CIVIL RIGHTS LAWS OF OUR HISTORY WERE ENACTED -- THE 1964 CIVIL RIGHTS ACT, THE VOTING RIGHTS ACT OF 1965, THE FAIR HOUSING ACT OF 1968. AND THUS THE DOORS TO EQUAL JOB, EDUCATION, PUBLIC ACCOMMODATION AND OTHER OPPORTUNITIES WERE OPENED.

SO, I THINK IT IS FAIR TO CONCLUDE THAT THE LIBERALS MET THE CHALLENGE OF ABUNDANCE IN THE 1960s. TODAY, SOME PROGRAMS HAVE THEIR PROBLEMS. BUT THEY HAVE ACHIEVED MUCH OF WHAT THEY WERE DESIGNED TO ACHIEVE. AND OUR SOCIETY IS FAR BETTER OFF TODAY BECAUSE WE MET THE CHALLENGE OF ABUNDANCE FIFTEEN YEARS AGO.

AT LEAST UNTIL THE NATION BECAME PREOCCUPIED AND DIVIDED BY THE VIETNAM WAR, THERE WAS AN EXPANSIVE, OPTIMISTIC MOOD IN THE NATION: A SENSE OF CONFIDENCE THAT THE NATIONAL ECONOMY WOULD GROW, THAT THE UNITED STATES WOULD REMAIN PRE-EMINENT IN THE WORLD ECONOMY, THAT WE COULD INVENT SOLUTIONS TO THE MOST INTRACTABLE DOMESTIC PROBLEMS.

TODAY, THE NATIONAL SELF-CONFIDENCE HAS BEEN SHAKEN: BY VIETNAM, BY WATERGATE, BY OUR DEMONSTRATED ECONOMIC VULNERABILITY, BY THE ENERGY CRISIS, BY THE MONTHLY TOLL EXACTED BY INFLATION -- AND BY THE FALSE CLAIM THAT MANY LARGE FEDERAL PROGRAMS, DESPITE SUBSTANTIAL EXPENDITURES, DO NOT WORK. THE SELF-CONFIDENCE OF THE SIXTIES HAS BEEN REPLACED BY A MOOD OF CAUTION, WARINESS, AND SKEPTICISM.

THE HEART OF PRESIDENT CARTER IS NO LESS COMPASSIONATE THAN THAT OF LYNDON JOHNSON, NO LESS SENSITIVE TO THE NEEDS OF THE POOR OR THE VULNERABLE. BUT THAT HEART BEATS IN A DIFFERENT TIME. IT IS ESSENTIAL FOR LIBERALS TO RECOGNIZE THIS.

TODAY, AS WE COME TO CLOSE THE SEVENTIES, THE CHALLENGE FOR THE AMERICAN LIBERAL IS THE CHALLENGE OF AUSTERITY. IT MAY NOT BE AS PLEASANT TO MEET THE CHALLENGE OF AUSTERITY AS IT WAS TO FACE THE CHALLENGE OF ABUNDANCE -- BUT IT IS INFINITELY MORE EXACTING AND NO LESS IMPORTANT.

TODAY, THE LIBERALS AND PROGRESSIVES OF OUR SOCIETY MUST MATCH THEIR COMPASSION AND GENEROSITY WITH COMPETENCE AND EFFICIENCY. UNLESS WE ACCEPT AND MEET THE CHALLENGE OF AUSTERITY WITH GOOD MANAGEMENT, WE WILL SURRENDER TO AN UNDISCRIMINATING "PROPOSITION 13" MENTALITY THAT WILL DO VIOLENCE TO THE CONCEPTS OF SOCIAL JUSTICE ON WHICH THE PROGRAMS OF THE NEW DEAL AND GREAT SOCIETY ARE SO SOUNDLY BASED. WE INTEND TO DISCIPLINE THESE SOCIAL PROGRAMS WHILE WE FIGHT THOSE WHO WOULD DISMANTLE THEM.

I DO NOT BELIEVE THE AMERICAN PEOPLE WANT A SITUATION WHERE JOHNNY AND JANE CANNOT READ BECAUSE THE SCHOOL DOOR IS LOCKED SHUT. I BELIEVE THE AMERICAN PEOPLE WANT SCHOOLS THAT BETTER TEACH JOHNNY AND JANE TO READ.

I DO NOT BELIEVE THE AMERICAN PEOPLE WANT TO DENY MEDICAL CARE TO THE ELDERLY OR THE DISABLED OR THE POOR CHILDREN AMONG US. I DO BELIEVE THE AMERICAN PEOPLE WANT MEDICAL SERVICES DELIVERED MORE EFFICIENTLY, AT LOWER COST.

I DO NOT BELIEVE THE AMERICAN PEOPLE WANT TO DENY FUNDS TO LIVE AT A MINIMUM LEVEL OF HUMAN DIGNITY TO THOSE WHO CANNOT TAKE CARE OF THEMSELVES -- THE 9 MILLION CHILDREN ON WELFARE, THE VERY OLD, THE BLIND AND DISABLED. I DO BELIEVE THEY WANT TO MAKE SURE THAT THOSE WHO RECEIVE FUNDS ARE ENTITLED TO THEM, THAT EVERYONE RECEIVES EACH DOLLAR HE OR SHE DESERVE, NO MORE -- BUT NO LESS.

IT IS INCUMBENT UPON THOSE WHO SHARE THIS GREAT COMMITMENT TO A GENEROUS AND COMPASSIONATE GOVERNMENT, TO LEAD THE EFFORT TO MAKE THE COMPASSIONATE SOCIETY A MORE COMPETENT SOCIETY, TO MATCH THE GENEROSITY OF GOVERNMENT WITH EFFICIENT ADMINISTRATION, TO FULFILL THE TRUST OF THE TAXPAYERS BY GIVING THEM FULL VALUE FOR THE MONIES THEY PLACE IN THESE PROGRAMS.

THE ISSUE OF EFFECTIVE GOVERNMENT IS OUR ISSUE --A LIBERAL ISSUE -- AND WE MUST NOT PERMIT OPPORTUNISTS TO CLOAK THEIR DESIRE TO SET BACK SOCIAL AND ECONOMIC JUSTICE IN THE DESIRE OF THE AMERICAN CITIZENS TO GET REAL VALUE FOR THEIR TAX DOLLARS.

TO BE SURE, THIS NEW AUSTERITY PRESENTS UNDENIABLE PROBLEMS AND DIFFICULTIES FOR THOSE OF US WHO BELIEVE IN AND MANAGE SOCIAL PROGRAMS. BUT IT ALSO PRESENTS OPPORTUNITIES.

AND CHIEF AMONG THOSE OPPORTUNITIES IS TO PROVE THAT LIBERALS CAN MANAGE: THAT THE POLITICAL WORLD IS NOT DIVIDED BETWEEN DREAMY, IMPRACTICAL LIBERALS, ON THE ONE HAND, WHO OOZE WITH COMPASSION BUT CANNOT MEET A PAYROLL, AND BRISKLY EFFICIENT CONSERVATIVES ON THE OTHER. I BELIEVE THAT EFFICIENT MANAGEMENT IS, IN ITSELF, AN ACT OF COMPASSION -- FOR IT UNLOCKS RESOURCES TO BE USED FOR HUMAN ENDS.

IT WAS THE CHALLENGE FOR LIBERALISM IN THE SIXTIES TO ENACT LONG-DELAYED AND MUCH-NEEDED SOCIAL PROGRAMS. IT IS THE CHALLENGE FOR LIBERALISM IN THE SEVENTIES TO MANAGE THOSE PROGRAMS WELL.

THAT IS PRECISELY WHAT WE HAVE BEEN BUSY ABOUT AT HEW FOR THE PAST 22 MONTHS. AND I HAVE COME HERE TO ANNOUNCE TODAY THE EARLY RETURNS: FROM JANUARY 1977 THROUGH SEPTEMBER 1978, AS A RESULT OF REORGANIZATION, VARIOUS MANAGEMENT CHANGES AND A NEW MANAGEMENT INITIATIVES TRACKING SYSTEM,

WE HAVE ALREADY SAVED THE AMERICAN TAXPAYER 400 MILLION DOLLARS BY ELIMINATING FRAUD, ERROR AND WASTE AND BY INCREASING PRODUCTIVITY. THAT IS AN AMOUNT EQUAL TO THE TOTAL FEDERAL INCOME TAX PAID BY 300,000 TYPICAL MIDDLE INCOME FAMILIES.

LET ME MENTION BRIEFLY A FEW OF OUR EFFORTS AND ACHIEVEMENTS TO DATE.

REORGANIZING HEW

OUR FIRST MANAGEMENT INITIATIVE WAS TO PUT IN PLACE THE MOST SWEEPING REORGANIZATION OF HEW'S VAST BUREAUCRACY IN ITS 25-YEAR HISTORY -- NOT JUST TO REARRANGE THE MULTITUDE OF BOXES IN THE ORGANIZATION CHARTS, BUT TO ELIMINATE UNNECESSARY BOXES. OUR PURPOSE WAS TO CREATE ORDER AND SIMPLICITY IN PLACE OF CONFUSION AND COMPLEXITY -- AND TO ESTABLISH CLEAR LINES OF ACCOUNTABILITY FROM TOP TO BOTTOM.

AND OUR PURPOSE WAS TO SAVE MONEY -- TO PROVIDE THE SAME OR GREATER SERVICES AT LESS COST TO THE TAXPAYER.

WE HAVE BEGUN TO SUCCEED.

THE SAVINGS ATTRIBUTABLE TO THE REORGANIZATION THROUGH THE END OF FISCAL 1978 TOTAL \$140 MILLION.

ROOTING OUT FRAUD AND ABUSE

WE ALSO SET OUT TO ESTABLISH THE INTEGRITY OF HEW'S PROGRAMS. WE HAD TO DISPEL THE PERVASIVE PUBLIC BELIEF THAT HARD-EARNED TAX DOLLARS WERE BEING FRAUDULENTLY SIPHONED OFF OR WASTEFULLY SPENT, BY EVERYONE FROM WELFARE MOTHERS TO UNSCRUPULOUS SURGEONS -- AND THAT THE FEDERAL GOVERNMENT WAS UNABLE OR UNWILLING TO STOP IT.

WE IMMEDIATELY SET UP THE OFFICE OF INSPECTOR GENERAL AUTHORIZED BY THE CONGRESS. WE PUT TOGETHER A TEAM OF 1,100 AUDITORS, INVESTIGATORS AND MANAGERS. AND THEY BEGAN SIFTING THROUGH THE DEPARTMENT'S PROGRAMS TO ROOT OUT FRAUD AND ABUSE, VIGOROUSLY USING A NEW INVESTIGATIVE WEAPON: THE ELECTRONIC COMPUTER.

● WE LAUNCHED PROJECT MATCH, TO IDENTIFY THOSE AMONG THE 4.8 MILLION FEDERAL CIVILIAN AND MILITARY EMPLOYEES WHO MIGHT BE ILLEGALLY RECEIVING WELFARE BENEFITS. SO FAR, MORE THAN 18,000 CASES (18,353) HAVE BEEN TURNED OVER TO STATE AGENCIES FOR INVESTIGATION. AS OF MID-NOVEMBER, THE STATES HAVE REVIEWED ABOUT HALF OF THESE AND FOUND 3,256 INDIVIDUALS EITHER TOTALLY INELIGIBLE OR BEING PAID MORE THAN THEY WERE ENTITLED TO.* PROJECT MATCH WILL YIELD SAVINGS OF \$12 MILLION ANNUALLY (ROUGHLY HALF EACH IN FEDERAL AND STATE

* TOTALLY INELIGIBLE -- 1,479; OVERPAID -- 1,777.

FUNDS) AT A COST TO THE GOVERNMENT OF ONLY \$1 MILLION A YEAR. AND FOOD STAMP AND MEDICAID SAVINGS THAT WILL RESULT FROM REMOVING INELIGIBLE RECIPIENTS FROM THE ROLLS CAN BE ADDED TO THAT \$12 MILLION.

- WE BEGAN PROJECT INTEGRITY, A SIMILAR COMPUTER EFFORT, TO TRACK DOWN UNETHICAL PHYSICIANS, PHARMACISTS AND OTHER HEALTH CARE PROVIDERS WHO HAVE TRIED TO BILK THE AMERICAN TAXPAYER UNDER MEDICARE AND MEDICAID.

THERE HAVE ALREADY BEEN NINETEEN INDICTMENTS AND EIGHT CONVICTIONS; NEARLY \$3 MILLION IN CLAIMS FOR RESTITUTION HAVE BEEN FILED.

- WE MOVED TO REFORM HEW'S PROGRAMS OF FINANCIAL AID TO STUDENTS. FOR YEARS, THESE PROGRAMS HAVE HELPED MILLIONS OF STUDENTS AND THEIR FAMILIES MEET THE EXPENSES OF EDUCATION AFTER HIGH SCHOOL. BUT THE PROGRAMS WERE PLAGUED BY MANAGEMENT PROBLEMS AND A MOUNTAIN OF DEFAULTED LOANS:

\$400 MILLION IN THE GOVERNMENT-RUN STUDENT LOAN PROGRAM;
\$600 MILLION IN THE CAMPUS-RUN STUDENT LOAN PROGRAM.

BY OCTOBER FIRST, IN THE GOVERNMENT-RUN PROGRAM, WE HAD CLEARED UP 117,600 STUDENT DEFAULT CASES. IN THE LAST QUARTER OF FISCAL 1978, SOME 15,000 DEFAULTERS BEGAN OR COMPLETED REPAYMENT -- ONE AND ONE-HALF TIMES THE TOTAL FOR THE ENTIRE FISCAL YEAR 1977, AT AN ANNUAL RATE SIX TIMES THAT OF THE PRIOR FISCAL YEAR. OUR COLLECTIONS ON THESE DEFAULTED LOANS ARE RUNNING AT AN ANNUAL RATE OF MORE THAN \$20 MILLION -- MORE THAN TWO AND ONE-HALF TIMES LAST YEAR'S RATE OF \$8 MILLION. AND THE ANNUAL RATE IS RAPIDLY RISING.

IN FISCAL 1978, WE REFERRED TO U. S. ATTORNEYS 2,650 CASES OF STUDENT LOAN DEFAULTS -- COMPARED TO A TOTAL OF 500 FOR THE PREVIOUS FIVE YEARS.

BY COMPUTER MATCHES, WE DISCOVERED 6,600 RECENT OR PRESENT FEDERAL CIVILIAN EMPLOYEES WHO HAD DEFAULTED ON THEIR STUDENT LOANS. SINCE SEPTEMBER, SOME 3,200 HAVE EITHER PAID IN FULL OR BEGUN SYSTEMATIC REPAYMENT. WE HAVE WRITTEN OFF 371 AS A RESULT OF DEATH, DISABILITY OR THE TINY AMOUNTS INVOLVED; WE HAVE SUED 69; SOME 1,400 WHO HAVE LEFT FEDERAL EMPLOYMENT HAVE BEEN PLACED IN OUR REGULAR COLLECTION EFFORT; AND WE ARE TRACKING DOWN THE REMAINING 1,500.

FOR THE FIRST TIME IN THE 10-YEAR HISTORY OF THE PROGRAM, I CAN ANNOUNCE THAT WE ARE DECREASING THE DEFAULT BACKLOG, RATHER THAN INCREASING IT. THAT BACKLOG STOOD AT 393,000 IN MARCH, 1978. BY SEPTEMBER 30, IT HAD DECLINED TO 357,000. WE WILL EFFECTIVELY ELIMINATE IT BY THE END OF CALENDAR 1980.

REDUCING ERROR RATES

ANOTHER AREA OF CONCENTRATION HAS BEEN OUR ATTEMPT TO REDUCE ERROR RATES IN THE CASH PAYMENT PROGRAMS.

WHEN WE TOOK OVER IN EARLY 1977, THE RATE OF PAYMENT ERRORS IN ONE HEW PROGRAM -- THE SUPPLEMENTAL SECURITY INCOME PROGRAM -- STOOD AT 6.3 PERCENT. BY MARCH 1978 (THE LATEST PERIOD FOR WHICH FIGURES ARE AVAILABLE), THE SSI PAYMENT ERROR RATE HAD DROPPED TO 4.6 PERCENT. WE ESTIMATE THE SAVINGS FROM THIS EFFORT AT \$105 MILLION FOR THE PERIOD BETWEEN JANUARY 1977 AND SEPTEMBER 1978.

ENCOURAGED BY THIS PROGRESS, WE ARE WORKING TO CUT ERROR RATES IN OTHER PROGRAMS -- NOTABLY, AID TO FAMILIES WITH DEPENDENT CHILDREN. IT IS MORE DIFFICULT TO CUT ERROR RATES IN THIS PROGRAM SINCE IT IS RUN IN DIFFERENT WAYS BY DIFFERENT STATES -- BUT THE FACT THAT ERROR RATES RANGE FROM 4 PERCENT OR LESS IN THE BEST STATES TO 20 PERCENT IN THE WORST GIVES US PLENTY OF ROOM FOR IMPROVEMENT.

EFFICIENT PROCUREMENT

OVER THE PAST YEAR WE HAVE MADE A MAJOR EFFORT TO INCREASE THE LEVEL OF COMPETITIVE PROCUREMENT AT HEW. THE RESULTS HAVE BEEN MIXED, BUT THE POTENTIAL FOR TAXPAYER SAVINGS IS SO GREAT THAT I INTEND TO PURSUE THIS AREA WITH ALL THE ENERGY IT DESERVES.

THREE OF THE MAJOR HEW COMPONENTS HAVE SIGNIFICANTLY INCREASED THE PERCENTAGE OF COMPETITIVE PROCUREMENT: THE HEALTH CARE FINANCING ADMINISTRATION, FROM 3.5 PERCENT IN 1977 TO 14 PERCENT IN 1978; THE SOCIAL SECURITY ADMINISTRATION, FROM 83 PERCENT IN 1977 TO 90 PERCENT IN 1978; THE OFFICE OF HUMAN DEVELOPMENT SERVICES FROM 66 PERCENT IN 1977 TO 84 PERCENT IN 1978. IN MOST CASES, SIGNIFICANT SAVINGS HAVE RESULTED.

UNFORTUNATELY, BOTH THE PUBLIC HEALTH SERVICE AND THE OFFICE OF EDUCATION HAVE DONE POORLY IN THIS AREA: COMPETITIVE PROCUREMENT DECLINED IN THE PUBLIC HEALTH SERVICE FROM 47 PERCENT IN 1977 TO 43 PERCENT IN 1978; IN THE OFFICE OF EDUCATION SUCH PROCUREMENT DECLINED FROM 85 PERCENT IN 1977 TO 74 PERCENT IN 1978. I INTEND TO TURN THESE TRENDS AROUND IN 1979.

TO GET A SENSE OF THE IMPORTANCE OF COMPETITIVE PROCUREMENT, LET ME GIVE ONE ILLUSTRATION. UNDER MEDICARE, WE CONTRACT WITH INSURANCE COMPANIES AND OTHER INTERMEDIARIES TO PROCESS CLAIMS. THE CONGRESS HAS PLACED SUBSTANTIAL RESTRICTIONS ON OUR ABILITY TO SEEK COMPETITIVE BIDS ON MEDICARE CLAIM PROCESSING CONTRACTS. BUT USING OUR EXPERIMENTAL AUTHORITY, WE SOLICITED COMPETITIVE BIDS IN ILLINOIS

AND UPSTATE NEW YORK. AS A RESULT, BEGINNING IN THE NEXT FISCAL YEAR, WE WILL PROCESS CLAIMS IN ILLINOIS AT \$2.80 PER CLAIM, 77 CENTS BELOW ITS PREVIOUS LEVEL OF \$3.57; IN UPSTATE NEW YORK, AT \$1.53 PER CLAIM, \$1.55 BELOW ITS PREVIOUS LEVEL OF \$3.08. THE SAVINGS TO THE TAXPAYER WILL EXCEED \$35 MILLION OVER THE LIFE OF THESE CONTRACTS. IN ADDITION, IN PLACES WHERE WE ARE UNABLE TO SOLICIT COMPETITIVELY, WE HAVE ALREADY ACHIEVED SAVINGS OF \$41 MILLION.

WE HAVE BEGUN TO NEGOTIATE OTHER NON-COMPETITIVE, SOLE-SOURCE HEW CONTRACTS MORE AGGRESSIVELY. THE IMPORTANCE OF TOUGH NEGOTIATION CAN BE ILLUSTRATED BY THE FIRST CONTRACT WITH THE OVER EASY PROGRAM, A TELEVISION SERIES DIRECTED AT ELDERLY VIEWERS. THE CONTRACTOR PROPOSED A BUDGET OF \$2.1 MILLION. UNDER PREVIOUS HEW PROCEDURES, THAT FIGURE WOULD HAVE BEEN ACCEPTED; INDEED, MANY INDIVIDUAL MEMBERS OF CONGRESS URGED US TO ACCEPT THAT FIGURE. WE PERSISTED IN NEGOTIATING AND WERE ABLE TO REDUCE THE CONTRACT TO \$1.5 MILLION, A SAVING OF MORE THAN 25 PERCENT.

IMPROVING PRODUCTIVITY

ELIMINATING FRAUD, ERROR AND WASTE, OF COURSE, IS ONLY ONE SIDE OF THE COIN: THE NEGATIVE, OR PREVENTIVE SIDE. THE OTHER SIDE IS INCREASING THE PRODUCTIVITY OF HEW'S EMPLOYEES AND PROGRAMS. LET ME GIVE TWO EXAMPLES OF OUR EFFORTS TO DO THIS.

FIRST, THE CHILD SUPPORT ENFORCEMENT PROGRAM. UNDER THIS PROGRAM, HEW IS AUTHORIZED TO PROVIDE THE STATES FINANCIAL AND TECHNICAL ASSISTANCE, TO TRACK DOWN FATHERS WHO HAVE ABANDONED THEIR WIVES AND CHILDREN, AND TO GET CHILD SUPPORT PAYMENTS FROM THEM. IN JANUARY OF 1977, THE PROGRAM WAS JUST BEGINNING. SINCE THEN, WE HAVE COLLECTED MORE THAN \$700 MILLION IN CHILD SUPPORT PAYMENTS, JUST FOR WELFARE MOTHERS AND CHILDREN. THIS NOT ONLY REDUCES THE COST OF THE WELFARE PROGRAM TO FEDERAL AND STATE GOVERNMENTS, IT ALSO ENCOURAGES FATHERS TO FULFILL THEIR RESPONSIBILITY.

THE OTHER EXAMPLE OF INCREASING PRODUCTIVITY IS A NEW MANAGEMENT SYSTEM I HAVE INTRODUCED AT HEW: WE CALL IT MITS, FOR MANAGEMENT INITIATIVE TRACKING SYSTEM.

UNDER MITS, PROGRAM MANAGERS AT HEW COMMIT THEMSELVES TO ATTAINING SPECIFIC, MEASURABLE RESULTS FROM THEIR PROGRAMS: RESULTS THAT HAVE A REAL EFFECT ON THE PEOPLE WE SERVE. WE THEN HOLD THOSE MANAGERS ACCOUNTABLE FOR RESULTS.

LET ME LIST FOR YOU SOME OF THE RESULTS WE HAVE ACHIEVED SO FAR:

- IN FISCAL 1977, THE NUMBER OF CASES COMPLETED BY EACH INVESTIGATOR IN THE OFFICE FOR CIVIL RIGHTS WAS A TOTALLY UNACCEPTABLE 4 PER YEAR. BY THE THIRD QUARTER OF FISCAL 1978, WE HAD INCREASED THAT TO 12.5 CASES PER YEAR -- A MORE THAN THREE-FOLD INCREASE. THE VALUE OF THIS ENHANCED PRODUCTIVITY TO THE TAXPAYER SINCE JANUARY 1977 IS \$11 MILLION.

- DURING THE LAST THREE MONTHS OF 1976, EACH ADMINISTRATIVE LAW JUDGE IN THE SOCIAL SECURITY BUREAU OF HEARINGS AND APPEALS HANDLED AN AVERAGE OF 23 CASES PER MONTH. IN THE PAST SIX MONTHS, THAT NUMBER HAS RISEN TO 28. THE VALUE TO THE TAXPAYER OF THIS PRODUCTIVITY INCREASE SINCE JANUARY 1977 IS \$29 MILLION.
- WHEN I BECAME SECRETARY, IT TOOK AN AVERAGE OF 34 DAYS TO PROCESS A CLAIM BY AN ELDERLY PERSON FOR SUPPLEMENTAL SECURITY INCOME. BY THE END OF FISCAL 1978, THAT SERVICE HAD BEEN REDUCED BY ALMOST 30 PERCENT, TO 24 DAYS. THIS INCREASED PRODUCTIVITY REPRESENTS A VALUE OF \$1 MILLION TO THE TAXPAYER.

AND THESE ARE ONLY A FEW OF THE 39 ITEMS IN THE MITS PROGRAM.

HERETOFORE, IT HAS BEEN AN AXIOM THAT IT IS DIFFICULT, IF NOT IMPOSSIBLE, TO MEASURE AND IMPROVE EFFICIENCY OR PRODUCTIVITY IN SOCIAL PROGRAMS.

THESE RESULTS GIVE THE LIE TO THAT AXIOM. FOR DIFFICULT AS IT MAY BE, FOR THE FIRST TIME IN THE HISTORY OF HEW, WE ARE MEASURING PRODUCTIVITY AND EFFECTIVENESS -- AND WE ARE IMPROVING BOTH.

* * * *

I BELIEVE NOW, AS STRONGLY AS I BELIEVED IN JANUARY OF 1977, THAT LARGE ENTERPRISES LIKE HEW CAN BE MANAGED; THAT COMPASSION CAN BE INFORMED AND DISCIPLINED BY EFFICIENCY; THAT THE FAITH OF THE AMERICAN PEOPLE CAN BE RESTORED IN THE PROGRAMS WE LAUNCHED WITH SUCH HIGH HOPES IN THE 1960'S.

PERHAPS THE MOST IMPORTANT REASON WE MUST MANAGE THESE PROGRAMS WELL COMES FROM A TRUTH TOO OFTEN FORGOTTEN IN TODAY'S DEBATES: THE SOCIAL PROGRAMS LAUNCHED DURING THE NEW DEAL AND THE GREAT SOCIETY HAVE SERVED THIS NATION WELL. THERE ARE TODAY MILLIONS OF CHILDREN WHO ARE HEALTHIER, WHO ARE BETTER FED AND WHO HAVE OPPORTUNITIES THEIR PARENTS NEVER DREAMED OF BECAUSE OF THESE PROGRAMS. THERE ARE MILLIONS OF SENIOR CITIZENS WHO WOULD LIVE AND DIE IN UTTER MISERY AND POVERTY, WITHOUT PROPER HEALTH CARE, IF NOT FOR MEDICARE AND SOCIAL SECURITY. THE HEAD START PROGRAM IS WORKING TO DEVELOP THE POTENTIAL OF 400,000 CHILDREN EACH YEAR, MOST OF WHOM WOULD NEVER HAVE THAT OPPORTUNITY WITHOUT SUCH A PROGRAM. THE VOCATIONAL REHABILITATION PROGRAM HAS PROVIDED AN OPPORTUNITY FOR INDEPENDENCE AND DIGNITY TO THOUSANDS UPON THOUSANDS OF CITIZENS WHO ARE HANDICAPPED MENTALLY OR INJURED PHYSICALLY.

IT IS NONSENSE TO ASSERT THAT THESE GREAT COMMITMENTS TO SOCIAL JUSTICE, EMBODIED IN THE SOCIAL PROGRAMS OF THE 60's, HAVE NOT WORKED. THEY HAVE SERVED AND CONTINUE TO SERVE MILLIONS OF AMERICANS. WE ARE DEMONSTRATING THAT THESE PROGRAMS CAN BE MANAGED EFFECTIVELY, THAT WE CAN SERVE MORE PEOPLE MORE EFFICIENTLY, THAT WE CAN FACE AN ERA OF AUSTERITY, YET STILL PROTECT AND IMPROVE THESE PROGRAMS.

WE IN THE EXECUTIVE ARE PREPARED TO MANAGE EFFICIENTLY. BUT WE CANNOT DO IT ALONE. THE CONGRESS MUST DO ITS PART.

YOU ARE ALL FAMILIAR WITH THE REPORT I RELEASED LAST MARCH, IDENTIFYING SOME \$6 BILLION OF WASTE IN THE EXPENDITURE OF HEW FUNDS. WHAT THE HEADLINES DID NOT PICK UP WAS THE FACT THAT BILLIONS OF THIS WASTED MONEY IS "LEGISLATED WASTE," -- WASTE THAT RESULTS DIRECTLY FROM CONGRESSIONAL ACTION OR FAILURE TO ACT. IN FACT, BY FISCAL 1981, THIS LEGISLATED WASTE WILL AMOUNT TO \$4 BILLION. -- IN THE HEALTH AREA, THE FAILURE OF THE CONGRESS TO PUT A LID ON HOSPITAL COSTS ADDS BILLIONS OF DOLLARS TO THE BILL OF THE AMERICAN

TAXPAYER AND THE AMERICAN CONSUMER. IN THE MEDICARE AREA, THE RESTRICTIONS THE CONGRESS HAS PLACED ON OUR ABILITY TO SECURE COMPETITIVE BIDS FOR OUR PROCESSING CONTRACTS ADDS MILLIONS UPON MILLIONS OF DOLLARS TO THE TAX BILL. IN PROGRAMS LIKE IMPACT AID, WHICH POUR MONEY INTO SCHOOL DISTRICTS THAT DO NOT NEED IT, THE CONGRESS PERMITS PROFLIGATE PRACTICES TO STAND AT A TIME WHEN, MORE THAN EVER, THE TAX DOLLAR SHOULD BE SHARPLY FOCUSED ON THOSE WITH GREATEST NEED.

WE WILL COME TO THE CONGRESS THIS YEAR WITH A REQUEST THAT THEY DO THEIR PART TO MEET THE CHALLENGE OF AUSTERITY. AND WE WILL BUILD ON WHAT WE HAVE DONE IN THE PAST 22 MONTHS TO MEET THAT CHALLENGE OURSELVES.

SINCE THE DAYS OF JEFFERSON AND BEFORE, PUBLIC OFFICIALS HAVE FOUND THE TEMPTATION IRRESISTIBLE TO LECTURE THE PRESS.

I WILL TRY TO RESIST THAT TEMPTATION -- EVEN TO RESIST COMPLAINING ABOUT THE OCCASIONAL SLINGS AND ARROWS THAT COME MY WAY.

BUT I DO HAVE A CHALLENGE FOR THE PRESS IN WASHINGTON: TO COVER, NOT ONLY WHO IS WINNING AND WHO IS LOSING THE LEGISLATIVE BATTLES OR DISPUTES WITHIN THE EXECUTIVE BRANCH, BUT TO COVER WHAT HAPPENS WHEN THOSE BATTLES ARE OVER: TO COVER THE PROSAIC BUT DEEPLY IMPORTANT WORK OF MANAGEMENT IN GOVERNMENT.

I BELIEVE THAT OUR EFFORTS TO ELIMINATE FRAUD, ERROR, WASTE AND INEFFICIENCY IN GOVERNMENT JUSTIFY THOROUGH SCRUTINY AND THOROUGH REPORTING -- AND NOT BECAUSE THE NEWS WILL ALL BE GOOD. IT WILL NOT BE. BUT FOR 45 YEARS, THE ENTIRE LIFETIME OF MOST AMERICANS, OUR PEOPLE HAVE BEEN TOLD THAT LIBERALS, THOSE WHO BELIEVED IN COMPASSIONATE SOCIAL PROGRAMS, DID NOT CARE ABOUT THE TAXPAYERS' MONEY BECAUSE IT WAS NOT THEIRS. I WILL NOT VENTURE AN OPINION ON WHETHER

THAT CLAIM WAS TRUE. BUT TODAY I AM ASSERTING THAT THERE IS A NEW BREED OF LIBERAL IN TOWN: LIBERALS DEEPLY COMMITTED TO SOCIAL PROGRAMS -- AND EQUALLY COMMITTED TO SOUND MANAGEMENT.

TODAY I ASSERT THAT ONE OF THE BIGGEST STORIES IN THIS TOWN IS THE EFFORT TO MAKE COMPASSIONATE PROGRAMS WORK EFFICIENTLY.

THAT IS ONE OF THE JOBS AHEAD FOR GOOD REPORTING IN WASHINGTON: TO EXAMINE AND ASSESS THE MANAGEMENT REVOLUTION THAT IS NOW UNDERWAY HERE. IT SHOULD BE ONE OF THE BIG STORIES OF THE LATE 1970'S. AND WE MAY JUST FIND IN IT THE SILVER LINING IN THE CLOUD OF AUSTERITY.

#

SUNDAY
5:00 PM

Electrostatic Copy Made
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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON

DATE: 1 December 1978

SUBJECT: RECEPTION FOR KENNEDY CENTER HONOREES
3 December 1978

Attached are papers relating to the function indicated above.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON *GP*

DATE: 29 November 1978

SUBJECT: RECEPTION FOR KENNEDY CENTER HONOREES
3 December 1978

5:00 P.M. Guests arrive Southwest Gate to Diplomatic Reception Room.

(Harpist in Diplomatic Reception Room.)

Set-up Aide to get names of arriving guests, and Announcing Aide announces each guest to press as they depart Diplomatic Reception Room for Family Theater (coat check). Guests continue upstairs to East Room, entering via North entry.

(Refreshments in East, Blue, and State Dining Rooms.)

Guests pass through East Room, color Rooms, and State Dining Room, departing State Dining Room to Presidential Seal in cross hall for receiving line.

THE PRESIDENT AND MRS. CARTER arrive State floor, to positions under Presidential Seal, for receiving line.

(U.S.M.C. Orchestra in Main Hall.)

7:00 P.M. At conclusion of receiving line, Honorees are escorted to positions on platform in East Room (toe cards).

(A Social Aide will be assigned to each Honoree for the function, and will see that the Honorees are assembled in the cross hall, and then escorted into the East Room to the platform just prior to the announcement of the PRESIDENT AND MRS. CARTER.)

THE PRESIDENT AND MRS. CARTER are announced into East Room, proceed to platform (toe cards) for remarks.

Following remarks, the PRESIDENT AND MRS. CARTER depart East Room and State floor.

7:30 P.M. All guests depart Residence.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON

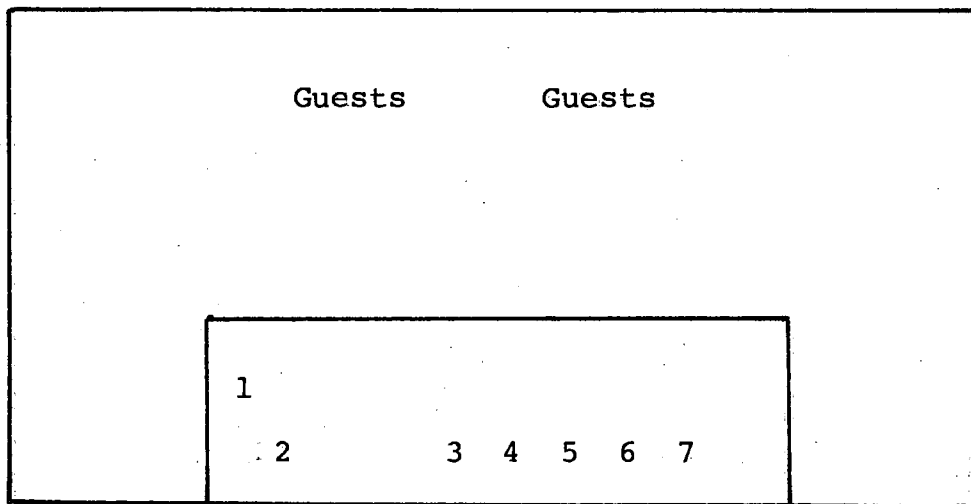
DATE: 1 December 1978

SUBJECT: RECEPTION FOR KENNEDY CENTER HONOREES
3 December 1978

NOTES

Because of the large number of people, we will be serving refreshments in three locations, to relieve a crush of people in any one area.

Positions on the platform are as follows:



- 1-THE PRESIDENT
- 2-MRS. CARTER
- 3-A. Rubenstein
- 4-G. Balanchine
- 5-M. Anderson
- 6-F. Astaire
- 7-R. Rodgers

Sunday
Dec. 3, 1978
700 guests
5:30 PM

RECEPTION

Kennedy Center Honorees

Steamship Rounds
Horseradish Sauce
Rolls

Fried Deep Sea Scallops
Remoulade Sauce

Fennel Strips

Miniature Reuben Sandwiches

Filo Pastry Triangles

Cheese Rings

Cheese Platters w/ fruit

Assorted Crackers

Wine

Juice

GATE LIST - RECEPTION, Sunday, December 3, 1978 at 5:30 p.m.
(Kennedy Center Honors)

SW gate
KL

The President & Mrs. Carter

Aaron, Mr. & Mrs. David
Abbot, Mr. George
Adler, Mr. & Mrs. Kurt H.
Agostini, Ms. Diane
Ahern, Mr. & Mrs. Brian
Albert, Mr. & Mrs. Eddie
Alonso, Miss Alicia
Altschul, Mr. Arthur
Ambro, Rep. Jerome
Anderson, Miss Marian
(Mrs. Orpheus Fisher)
Anderson, Mr. Robert
Anselmi, Mr. & Mrs. Lorenzo
Asbill, Mr. & Mrs. Mac, Jr.
Ashley, Miss Elizabeth
Astaire, Mr. Fred
Atlas, Mr. & Mrs. Martin
Ayres, Mr. & Mrs. Drummond

Backe, Mr. & Mrs. John D.
Bacon, Mrs. Robert Low
Balanchine, Mr. George
Barber, Mr. Samuel
Barnes, Mr. Bill
Bartlett, Mr. Joseph L.
Basie, Mr. & Mrs. William Count
Beatty, Mr. Warren
Beck, Mr. & Mrs. Robert A.
Becker, Mr. & Mrs. William W.
Begle, Mr. Howell
Beilenson, Rep. & Mrs. Anthony C.
Belafonte, Mr. & Mrs. Harry
Bentsen, Sen. & Mrs. Lloyd
Bernstein, Mr. Ira
Bernstein, Mr. Leonard
Biddle, Hon. & Mrs. Livingston L., Jr.
Biden, Sen. & Mrs. Joseph R., Jr.
Bikel, Mr. & Mrs. Theodore
Birch, Ms. Patricia
Bonnetfous, Mr. Jean-Pierre
Bowmer, Dr. & Mrs. Angus L.
Boyd, Mr. Willard L.
Boyer, Hon. & Mrs. Ernest L.
Boyer, Mr. Pierre
Brademas, Rep. & Mrs. John
Brenner, Mr. & Mrs. Richard A.
Brown, Mr. & Mrs. Charles
Brown, Hon. & Mrs. J. Carter
Brown, Mr. Paul
Browne, Ms. Leslie
Browning, Mr. John
Bruhn, Mr. Erik
Bryant, Ms. Laurie Bryant, Dr. & Mrs. Thomas
Bumbry, Miss Grace Melzia
Burrows, Mr. & Mrs. Abe
Burson, Mr. & Mrs. Harold
Buchwald, Mr. & Mrs. Art
Burstyn, Mr. & Mrs. Neil

Cafritz, Mrs. Morris
Cafritz, Mr. & Mrs. William
Cage, Mr. John
Cahan, Ms. Cora
Caldwell, Miss Sarah
Caldwell, Mr. & Mrs. Erskine
Califano, The Secretary of HEW
Califano, Mr. Mark
Califano, Mr. Joseph, III
Capobianco, Mr. & Mrs. Tito
Carbonetto, Miss Linda

Carr, Mr. & Mrs. Oliver T., Jr.
Carreras, Mr. Jose
Carrigan, Mr. & Mrs. J. Michael
Carter, Mr. Robert S.
Carusi, Mr. & Mrs. Eugene C.
Castleman, Ms. Sally
Cato, Mr. Bob
Catto, Hon. & Mrs. Henry E., Jr.
Champion, Mr. & Mrs. Gower
Chatfield-Taylor, Ms. Adele
Charyk, Hon. & Mrs. Joseph V.
Chiles, Sen. & Mrs. Lawton
Clark, Mr. & Mrs. A. James
Clark, Mr. & Mrs. Roger A.
Coleman, Mr. Donald H.
Connelly, Mr. Marc
Cook, Mr. Gerald
Cook, Mr. William
Cookerly, Mr. & Mrs. Thomas B.
Coopersmith, Mr. & Mrs. Jack
Corelli, Mr. Franco
Coyne, Mr. Marshall B.
Cranston, Sen. & Mrs. Alan
Crespin, Ms. Regine
Cronkite, Mr. & Mrs. Walter
Cullman, Mr. & Mrs. Joseph F., III
Cunningham, Mr. Keith
Cunningham, Mr. Merce
Cushenberry, Mr. Kenneth

Daly, Mr. & Mrs. John Charles
Daly, Mr. & Mrs. Robert A.
d'Amboise, Mr. Jacques
Danzansky, Mr. & Mrs. Joseph B.
Davidson, Mr. & Mrs. Gordon
Dees, Mr. & Mrs. Morris
Delynn, Mr. Alan
Dennis, Ms. Sandy
Dewhurst, Miss Colleen
Dexter, Mr. John
Diamond, Mr. & Mrs. Neil
Dickey, Mr. & Mrs. James
Dingell, Rep. John D.
Dodd, Hon. Christopher
Doggett, Mr. Leonard
Donen, Mr. & Mrs. Stanley
Dorati, Mr. & Mrs. Antal
Douglass, Mr. & Mrs. Kingman
Drake, Mr. & Mrs. Alfred
Dreyfuss, Mr. Richard
Duffey, Mr. & Mrs. James
Duncan, Mr. & Mrs. Todd

Eells, Mr. William H.
Ehle, Mr. & Mrs. John M., Jr.
Ertegun, Mr. & Mrs. Ahmet
Ewing, Mr. & Mrs. Thomas

Fairbanks, Mr. & Mrs. Douglas, Jr.
Falco, Mr. Louis
Fantle, Mr. & Mrs. Shelton W.
Fath, Mr. & Mrs. Creekmore
Feinstein, Mr. & Mrs. Martin
Feld, Mr. Eliot
Ferrer, Mr. & Mrs. Jose
Feuer, Mr. & Mrs. Cy
Fioratti, Mr. & Mrs. Nereo
Fitzgerald, Mr. & Mrs. William
Floyd, Mr. & Mrs. Carlisle
Foley, Rep. & Mrs. Thomas S.

Folger, Hon. & Mrs. John Clifford
 Fortas, Hon. & Mrs. Abe
 Fowler, Mr. Charles
 Fox, Ms. Carol
 Franklin, Miss Aretha
 Freed, Mr. & Mrs. Gerald
 Freeman, Mr. & Mrs. Carl M.
 Fulbright, Hon. & Mrs. J. William

Garfunkel, Mr. Art
 Garrett, Mrs. George A.
 Gelabert, Mr. Raoul
 Giaimo, Rep. & Mrs. Robert N.
 Gibbs, Mrs. David
 Ginsburg, Mrs. David
 Golovin, Ms. Ann Gordon, Mr. & Mrs. Leonard
 Gore, Hon. Louise Goulet, Mr. & Mrs. Robert
 Graham, Mrs. Katharine
 Grauer, Miss Rhoda
 Green, Mr. & Mrs. Adolph
 Greenberg, Mr. & Mrs. Herman
 Greenwood, Ms. Jane
 Guare, Mr. John
 Guest, Mrs. Polk
 Guggenheim, Mr. & Mrs. Charles
 Gwynne, Mr. & Mrs. Fred

Hahn, Hon. & Mrs. Gilbert, Jr.
 Halle, Miss Kay
 Hammerstein, Mr. James B.
 Hammerstein, Mrs. Oscar
 Hampton, Mr. Lionel
 Hanes, Mr. & Mrs. R. Philip, Jr.
 Hansen, Hon. & Mrs. Orval
 Harburg, Mr. & Mrs. Edgar Y.
 Harbach, Mr. William
 Harden, Mr. & Mrs. Richard
 Harford, Miss Carol
 Harkavy, Mr. Benjamin
 Harkness, Miss Rebekah
 Harlan, Mr. & Mrs. Stephen D.
 Hartley, Ms. Jo
 Hartley, Mr. John T.
 Harum, Mr. Avind
 Hatcher, Mr. & Mrs. Robert V., Jr.
 Hawkins, Mr. Eric
 Hayden, Ms. Melissa
 Healy, Mr. Paul
 Hechinger, Hon. & Mrs. John W.
 Hennigan, Mr. & Mrs. James
 Herranz, Mr. Valentin
 Hewitt, Ms. Frankie
 Hewitt, Mr. & Mrs. William A.
 Hills, Hon. & Mrs. Roderick M.
 Hoffman, Mr. & Mrs. Edwin K.
 Holder, Mr. Geoffrey
 Hope, Mr. & Mrs. Bob
 Horgan, Ms. Barbara
 Horsky, Mr. & Mrs. Charles A.
 Huddleston, Sen. & Mrs. Walter D.
 Hunter, Miss Alberta
 Hurson, Mr. & Mrs. Daniel L.

Ikard, Hon. & Mrs. Frank N.
 Ingels, Mr. & Mrs. Marty
 Istomin, Mr. & Mrs. Eugene

Jacobs, Mr. & Mrs. Bernie
 Jacobsen, Mr. & Mrs. Hugh N.
 Jamieson, Ms. Judith
 Jankowski, Mr. & Mrs. Gene F.

Joffrey, Mr. Robert
 Jordan, Ms. Nancy
 Juliano, Mr. Robert

Kahn, Mr. Michael
 Kapnick, Mr. & Mrs. Harvey E., Jr.
 Karkar, Mr. & Mrs. Edward
 Kauffmann, Mr. & Mrs. Howard C.
 Kay, Mr. & Mrs. Edward
 Kazan, Mr. & Mrs. Elia Kendrick, Mr. & Mrs. Tom
 Kennedy, Mr. David
 Kennedy, Sen. Edward
 Kennedy, Mrs. Rose
 Kent, Ms. Allegra
 Kimche, Hon. Lee Kolodin, Mr. Irving
 Kreeger, Mr. & Mrs. David Lloyd
 Kraut, Mr. Harry
 Kyle, Mr. & Mrs. Steven

Lane, Mr. & Mrs. Burton
 Lavery, Mr. Sean
 Lawrence, Mr. & Mrs. Harding
 Lazar, Mr. & Mrs. Irving P.
 Lee, Miss Harper
 Lee, Mr. & Mrs. Ming Cho
 Lerner, Mr. & Mrs. Alan J.
 Lerner, Miss Karen
 Lewis, Mr. & Mrs. Delano E.
 Lewis, Mr. & Mrs. Henry
 Lieberman, Mrs. Goddard
 Linden, Mr. & Mrs. Hal
 Linowes, Mr. & Mrs. R. Robert
 Linowitz, Hon. & Mrs. Sol M.
 Loehr, Mr. & Mrs. Paul
 Lowe, Mr. & Mrs. Charles F.
 Luders, Mr. Adam
 Lunt, Mrs. Alfred

Maazel, Mr. & Mrs. Lorin
 MacDougall, Mr. & Mrs. Ronald
 MacNaughton, Mr. & Mrs. Donald S.
 MacNeil, Mr. & Mrs. Cornell
 Madeira, Mr. & Mrs. Eugene L.
 Malik, Mr. & Mrs. Terrence
 Mann, Mr. & Mrs. Fredric R.
 Mann, Mr. Ralph
 Marriott, Mr. & Mrs. J. Willard
 Marshall, Mr. E. G.
 Martin, Miss Mary
 Martin, Mr. Steve
 Martins, Mr. Peter
 Marzio, Dr. Peter C.
 Matthau, Mr. & Mrs. Walter
 Matthau, Mr. Charles
 May, Mr. & Mrs. William F.
 Mazzola, Mr. & Mrs. John W.
 Mazzo, Ms. Kay
 McBride, Miss Patricia
 McCracken, Mr. & Mrs. James
 McGrath, Prof. Donn C., Jr.
 McKechnie, Miss Donna
 McKenna, Mr. Wayne
 McPherson, Mr. & Mrs. Harry C.
 Meek, Mr. & Mrs. John M.
 Menotti, Mr. Gian Carlo
 Mejia, Mr. & Mrs. Paul
 Merrick, Mr. David
 Michener, Mr. & Mrs. Charles
 Mike, Mr. Mowry
 Mike, Miss Kimberly
 Miller, Miss Ann
 Miller, Mr. & Mrs. Dale

Millonzi, Hon. & Mrs. Robert
 Milnes, Mr. & Mrs. Sherrill
 Mineta, Rep. & Mrs. Norman Y.
 Mischer, Mr. & Mrs. Don
 Mirabito, Mr. & Mrs. Paul S.
 Mitchell, Mr. Arthur
 Moore, Miss Melba
 Moody, Mr. & Mrs. W. Jarvis
 Moore, Mr. & Mrs. Frank B.
 Moore, Miss Melba
 Moncion, Mr. Francisco
 Moore, Mr. & Mrs. Thomas
 Morse, Ms. Jane
 Morse, Mrs. Mildred
 Moss, Mr. & Mrs. Irwin
 Munroe, Mr. & Mrs. Pat

Nagy, Mr. & Mrs. Ivan
 Nederlander, Mr. & Mrs. James
 Nessen, Hon. & Mrs. Ronald H.
 Neal, Rep. & Mrs. Stephen L.
 Newberg, Ms. Esther
 Notman, Mr. & Mrs. Donald D.

Obey, Rep. & Mrs. David R.
 Ogawa, Ms. Yoshi
 O'Neill, The Speaker & Mrs.
 O'Toole, Mr. Peter
 Ostrow, Mr. & Mrs. Stuart
 Owen, Mr. & Mrs. Thornton W.

Page, Mr. & Mrs. Thomas S.
 Palmer, Ms. Cheryl
 Palmer, Mr. Victor L.
 Pan, Mr. Hermes
 Papp, Mr. & Mrs. Joseph
 Parsons, Miss Estelle
 Paschen, Mr. & Mrs. Henry
 Peck, Mr. Carey
 Peck, Mr. & Mrs. Gregory
 Perlman, Mr. & Mrs. Itzhak
 Pesch, Dr. & Mrs. LeRoy A.

Phillips, Mr. & Mrs. Thomas L. Pettit, Mr. Tom
 Pitney, Mr. John D.
 Pitts, Mr. Henry Preston
 Porter, Ms. Catherine
 Pose, Mrs. Pierre
 Preyer, Rep. & Mrs. Richardson
 Pride, Mr. & Mrs. Charlie
 Prince, Mr. & Mrs. Harold
 Purcell, Mr. & Mrs. John

Radigan, Mr. & Mrs. Charles
 Raitt, Ms. Bonnie
 Raitt, Mr. & Mrs. John
 Rauth, Mr. & Mrs. J. Donald
 Reiner, Mr. & Mrs. Robert
 Reinhardt, Hon. & Mrs. John E.
 Ribicoff, Sen. & Mrs. Abraham
 Richards, Mr. & Mrs. Martin
 Richmond, Rep. Fred W.
 Riley, Mr. & Mrs. Joseph H.
 Ripley, Hon. & Mrs. S. Dillon, II
 Robards, Mr. & Mrs. Jason
 Robbins, Mr. Jerome
 Rodgers, Mr. & Mrs. Richard
 Rodie, Mr. & Mrs. Gil
 Roncalio, Rep. & Mrs. Teno
 Rorex, Capt. & Mrs. Sam, Jr.
 Rose, Rep. & Mrs. Charles
 Rosenfield, Mr. & Mrs. James
 Ross, Mr. & Mrs. Clifford J.
 Rostenkowski, Rep. Dan
 Rostropovich, Mr. & Mrs. Mstislav

Rubinstein, Mr. & Mrs. Arthur
 Rudel, Mr. & Mrs. Julius
 Rumsey, Dr. & Mrs. William H.

Saks, Mr. & Mrs. Gene
 Samuels, Mr. & Mrs. John S., III
 Sarnoff, Mr. & Mrs. Robert
 Saroyan, Mr. William
 Saul, Mr. & Mrs. B. Francis, II
 Schaffner, Mr. & Mrs. Franklin J.
 Scheftel, Mr. Stuart
 Schneider, Mr. & Mrs. John A.
 Schuman, Mr. & Mrs. William H.
 Scott, Miss Martha Segal, Mr. & Mrs. Geo
 Scott, Dr. Winfield Seybolt, Mr. George C
 Shannon, Mr. & Mrs. Edfred L., Jr.
 Shannon, Mr. & Mrs. Foster
 Shapiro, Mr. & Mrs. Irving
 Sheldon, Mr. R. Douglas
 Shouse, Mrs. Jouett
 Shriver, Hon. & Mrs. R. Sargent
 Sinatra, Ms. Nancy S.
 Small, Mr. & Mrs. William
 Small, Mr. Albert H.
 Smaltz, Ms. Audrey
 Smiley, Mr. Donald E.
 Smith, Mr. Oliver
 Smith, Mr. & Mrs. Stephen E.
 Solinger, Ms. Janet W.
 Solti, Mr. & Mrs. George
 Sondheim, Mr. Stephen
 Sorkin, Mr. & Mrs. Martin
 Spatuzza, Mr. & Mrs. John G.
 Spiegel, Mr. Sam
 Stallone, Mr. Sylvester
 Stern, Mr. & Mrs. Isaac
 Stevens, Ms. Caroline
 Stevens, Mr. & Mrs. George, Jr.
 Stevens, Hon. & Mrs. Roger L.
 Stinchcomb, Mr. & Mrs. Lawrence S.
 Stone, Mr. & Mrs. W. Clement
 Sticht, Mr. & Mrs. J. Paul

Talin, Mr. Nikita
 Taylor, Mr. & Mrs. Samuel A.
 Tharp, Ms. Twyla
 Thompson, Rep. & Mrs. Frank, Jr.
 Thompson, Mr. & Mrs. W. Reid
 Thorpe, Mr. Merle, Jr.
 Tobin, Mr. & Mrs. Maurice B.
 Tollefson, Mr. & Mrs. Donald A.
 Tomasson, Mr. Helgi
 Trahern, Mr. Conrad
 Trowbridge, Mr. Sandy
 Trustman, Mr. & Mrs. Benjamin A.

Uggams, Ms. Leslie

Valanos, Mr. & Mrs. Conrad G.
 Valenti, Hon. & Mrs. Jack J.
 Vanoff, Mr. Flavio Angelo
 Vanoff, Mr. Nicholas
 Vanoff, Mr. & Mrs. Nicholas
 Verdugo, Ms. Malinche
 Vereen, Mr. & Mrs. Ben
 Vickers, Mr. & Mrs. John
 Villella, Mr. Edward J.
 Voight, Mr. John
 Vought, Mrs. Barbara

Walker, Mr. & Mrs. O. Mallory, Jr.

Wallin, Mrs. Jean

Wallin, Miss Amy

Warnecke, Mr. John Carl

Washer, Mr. Ben

Washington, Hon. & Mrs. Walter E.

Warner, Hon. & Mrs. John

Warrick, Ms. Ruth

Weese, Mr. & Mrs. Harry

Weisberger, Mr. & Mrs. Ernest

Weiss, Mr. Robert

Welty, Miss Eudora

Whalen, Mr. & Mrs. William J.

Williams, Mr. & Mrs. Billy Dee

Williams, Ms. Cindy

Williams, Mr. Tennessee

Winkler, Mr. & Mrs. Henry

Wilson, Rep. & Mrs. Charles

Wirth, Rep. & Mrs. Timothy

Wood, Mr. John

Woolard, Ms. Charlotte

Womach, Mrs. Emily H.

Womach, Mr. William S.

Worth, Miss Irene

White, Mr. Angus

Willett, Ms. Sandra

Yates, Rep. & Mrs. Sidney R.

Zimroth, Mr. Peter

THE WHITE HOUSE

WASHINGTON

December 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BERNIE ARONSON, ^{BA} RICK HERTZBERG ^{Rick}

SUBJECT: Talking Points for Kennedy Center Honors
Reception, Sunday, December 3, 1978

General remarks. In welcoming the guests and the five recipients of the first annual Kennedy Center Honors to the White House, you might wish to make these points:

- Perhaps the two greatest contributions of our country to the world are the strength of America's commitment to political liberty and the vitality of American art and culture.
- The arts are robust and healthy in America today. A greater proportion of Americans are involved in the arts today than ever before, whether that involvement takes the form of appreciation or participation. And this involvement is not restricted to any one group in our society -- it cuts across all barriers of age, of race, of educational or economic or social status. This is especially true of the performing arts.
- We all love the performing arts -- they offer us the most exciting and indeed enthralling of all artistic experiences. In the performing arts, we witness art in the process of being made. The work of art -- be it a dance, a piece of music, or a play -- is brought into being, by people, before our eyes and ears as we watch and listen. We often criticize ourselves for adulating "stars." But what we acclaim and make much of is not really this or that person; it is, rather, the process of artistic creation itself.

The honorees. Nothing we can say or do can add to the greatness of these five recipients of the first Kennedy Center Honors. Their work speaks for itself. What is being honored tonight is quality in the performing arts -- which these five people exemplify. You might wish to say a word about each of them:

- Marian Anderson

A regular visitor to the White House (she was here just a month and a half ago to accept a special Congressional gold medal) Her beautiful voice has brought joy to people throughout the world For more than half a century, she has expressed through music the anguish and the strength of her people and of the human condition.

- Fred Astaire

He brought what John O'Hara called "an instinct for style, taste, class" to the American musical theatre and film The image of Astaire, in top hat and tails, dancing with seemingly effortless ease and grace, is now a permanent part of the world's imagination The critic Arlene Croce (kroe'-chee) has written of "those ratcheting tap-clusters that fall like loose change from his pockets" Jerome Kern said, "Astaire can't do anything bad" Irving Berlin said, "I'd rather have Fred Astaire sing my songs than anyone else."

- George Balanchine

Beyond question the greatest choreographer of the 20th century, probably the greatest in the history of ballet Because of him, the New York City Ballet is the most creative dance company in the world Lincoln Kirstein, with whom he founded the New York City Ballet, has said of him: "He has come to be called the choreographers' choreographer, but he is no more so than Bach or Mozart are musicians' musicians."

- Richard Rodgers

The quantity of his compositions for the musical stage is matched only by their quality His career has been amazingly long and productive As he once said: "Some people think the Rodgers that wrote with Lorenz Hart was the father of the Rodgers who wrote with Oscar Hammerstein" -- and no wonder Among his hundreds of songs: "This Can't Be Love," "Where or When," "Bewitched, Bothered, and Bewildered," "Oklahoma," "Oh, What a Beautiful Morning," "Some Enchanted Evening," "There is Nothing Like a Dame," "Shall We Dance," "My Favorite Things."

● Arthur Rubenstein

The most beloved of all concert pianists His playing expresses the joy with which he has lived his life His career began before this century did The greatest interpreter of Chopin and many other composers ... His poetic and lyrical playing expresses tenderness, warmth, and compassion.

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THE WHITE HOUSE
WASHINGTON
December 1, 1978

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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *Fmpd*

You had asked me to let you know why newly-elected Republican Members of the House were not included in yesterday's briefing.

Bill Cable worked with both the Democratic and Republican staffs to coordinate our activities with their orientation program for the new Members. In order for us to arrange the briefing for the Democratic Members, it was necessary to do so prior to the Hill's heavily scheduled orientation program.

The Republicans are conducting their orientation program at the Dulles Marriott in order to maintain a "retreat atmosphere." They have invited me and my staff to participate in their program (we are addressing the group this afternoon) but requested that we not break-up their "retreat atmosphere" by inviting the Members to the White House.

Both Republicans and Democrats have been invited to the dinner with you and Mrs. Carter next week.

By all reports, yesterday's event was very well received.

THE WHITE HOUSE
WASHINGTON
December 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 11/24</u>	<u>WEEK ENDING 12/1</u>
Presidential	20,380	20,160
First Lady	1,035	1,530
Amy	225	345
<u>Other First Family</u>	<u>80</u>	<u>95</u>
TOTAL	21,720	22,130

BACKLOG

Presidential	5,795	5,710
First Lady	115	160
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	5,910	5,870

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	10%	11%
WH Correspondence	51%	54%
Unanswerable Mail	17%	16%
White House Staff	5%	5%
Greetings Requests	13%	13%
<u>Other</u>	<u>4%</u>	<u>1%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	0	0
Form Post Cards	5,800	9,400
Mail Addressed to White House Staff	15,662	14,887

cc: Senior Staff

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 12/1/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER LETTERS
Support for President's Address to the Nation on Inflation 10/24/78	27%	15%	58%	529
Support for Protection of Alaska Lands	100%	0	0	508
Support for Use of Tax Dollars to Return Americans from Guyana (1)	2%	98%	0	377
Comments re: Guyana Tragedies (2)	0	0	100%	289
Support for Aid to Vietnamese Refugees Stranded Off the Coast of Malaysia	95%	5%	0	218
Support for U.S. Aid to End World Hunger (3)	100%	0	0	<u>209</u>
			Total	2,130

(1) SUPPORT FOR USE OF TAX DOLLARS IN GUYANA (98% Con)

Pointing out the need to reduce government spending, angry taxpayers object to the use of our tax dollars to return Americans from Guyana.

(2) COMMENTS RE: GUYANA TRAGEDIES

Questions are raised and views and suggestions are expressed regarding the tragic events in Guyana.

(3) SUPPORT FOR U.S. AID TO END WORLD HUNGER (100% Pro)

Prompted by the annual Bread for the World campaign, writers urge the President to accept the "food for development" proposal to end world hunger.



The National Urban Coalition

1201 Connecticut Ave., N.W. • Washington, D.C. 20036 • 202 / 331-2400

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STATEMENT
TO
PRESIDENT JIMMY CARTER

BY THE
BLACK LEADERSHIP FORUM

WHITE HOUSE MEETING

DECEMBER 4, 1978

Thank you much,
Vernon

Mr. President:

The Black Leadership Forum appreciates this opportunity to present to you our concerns that the plight of black and poor Americans will be significantly worsened because of projected federal austerity measures.

We recognize the importance of fighting inflation and defending the dollar. We know that equal opportunities will be unattainable in an inflation-ridden economy. But we also know they will be unattainable in a slow or no-growth economy. And past experience has taught us that traditional instruments of fighting inflation -- budget cuts, high interest rates and tight money -- result in both inflation and unemployment.

Despite the widespread consensus that our economy has recovered from the last recession, the black community has not experienced an economic recovery. True black employment is still at depression levels, double that of white workers. Almost two-thirds of black youth are jobless. Typical black family income is below the government's own estimate for minimum decent living standards.

In your visit to the South Bronx, you saw for yourself the kind of urban devastation that is the living environment for millions of blacks, Hispanics and urban poor people. Those conditions will worsen and will engulf other economically marginal communities in the event of a recession.

And there seems little doubt that an austerity program will result in a recession, if not for the economy as a whole, then certainly for those on the margins of the economic mainstream. And we stress that a recession for black and poor people is the inevitable result of a slow growth rate in the economy.

We believe it would be catastrophic to draft those least able to serve into the war on inflation. Sacrifices must be made, but blacks and the poor have been making sacrifices all along. They have been practicing austerity even while the general economy was booming. The burdens of this new war on inflation must not be placed on their backs.

In this regard, we are deeply disturbed by reports that the Budget now being prepared will include 125,000 fewer CETA job openings, deep cuts in housing subsidies, health programs and other federal efforts that provide help for those among

us who need help most. Such acts threaten to undo the very significant record your Administration has compiled in providing social services and jobs.

At the same time, there have been reports of a planned increase in real military spending, and an unnecessary and expensive new Civil Defense program. Affluent citizens have received a significant tax reduction, and corporate taxes have been reduced. Mr. President, this indicates that the burdens of fresh sacrifices are being shunted onto those least able to bear them.

We feel that inflation can be combated without recourse to measures that would impose new hardships on the poor. Overall inflation rates do not reflect the escalating costs of items that are the staples of low and moderate income family budgets. Food, energy, health and housing costs are rising faster than the overall rate of inflation. A concentrated attack on those prices, including selective price ceilings, would lower the inflation rate while providing aid to inflation's prime victims.

At the same time, expansion of federal job training and job creation programs would increase earnings, productivity and tax revenues. The goal of reducing the federal deficit cannot be met if higher unemployment adds billions in lost

tax revenues and in mandated unemployment insurance expenditures.

Necessary cuts in federal spending can be made in areas other than those that are critically important to the poor. No austerity program can be expected to be popular among those affected by it, but equity demands that policies of constraint be targeted to those sectors of the economy best able to survive them.

Mr. President, we respectfully submit that America's poor people and her minorities will not be able to survive the increased unemployment and the budget cuts in necessary services embodied in the austerity program.

Mr. President, it is our duty to impress upon you the fact that a black community already mired in economic depression cannot sustain a fresh recession. America's cities, staggering under fiscal problems and physical decay, cannot withstand the impact of another recession. And our social fabric cannot sustain the racial and class pressures a new recession would bring. We are saying that America cannot buy price stability with social instability.

PRIORITY BUDGET CONCERNS

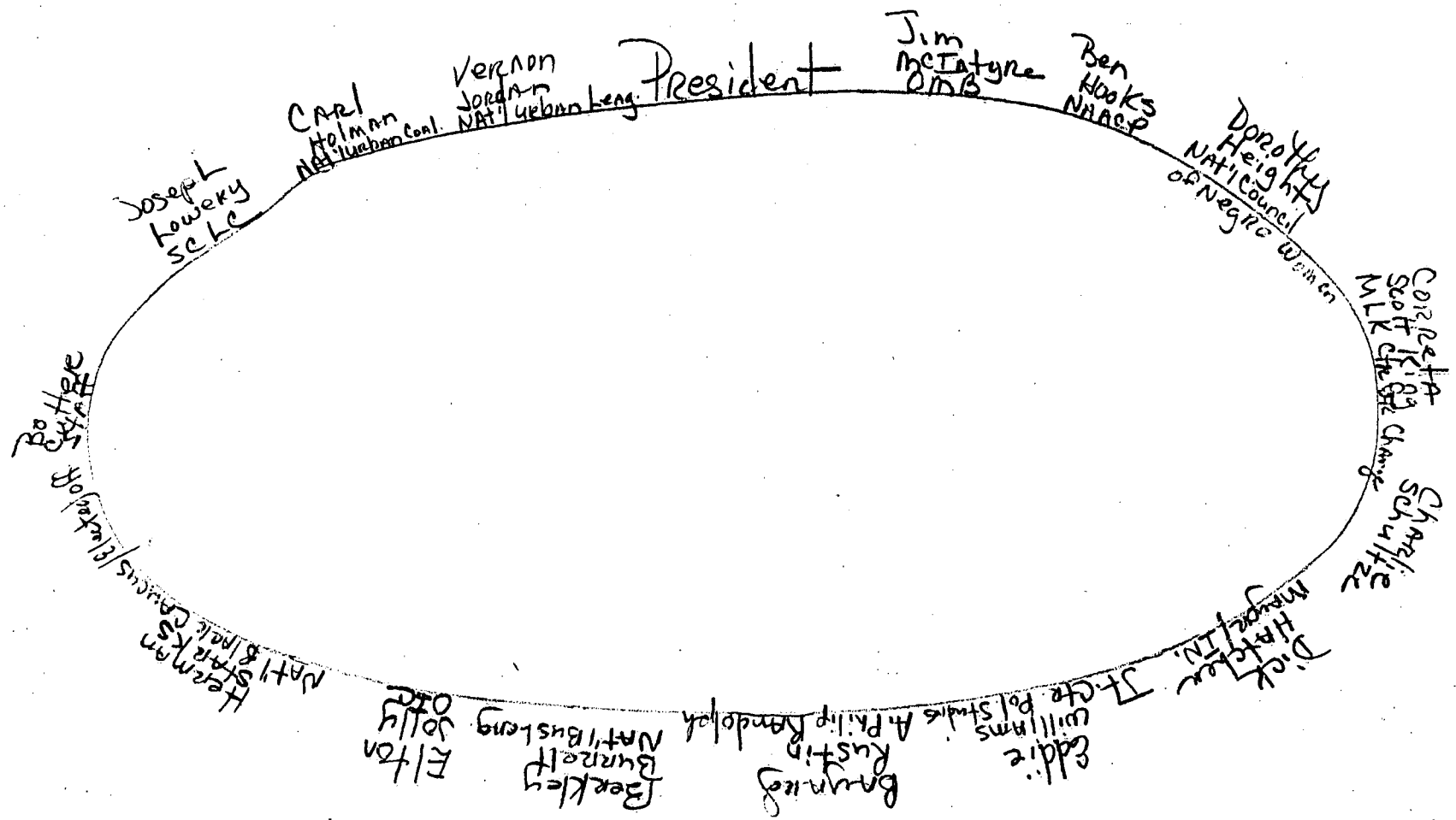
Given the current and projected size of ongoing entitlement

programs and the defense budget, we fear that any crash effort to reduce the Federal Budget deficit to \$30 billion will fall disproportionately on current and new expenditures designed to help the poor, minorities and the cities. We do not claim to be able to assess the relative accuracy of published reports and speculation concerning recommended budget cuts. But we do urge you to give the most thoughtful and searching attention to some of our most critical concerns:

1. JOBS AND INCOME

We would hope that you will not approve the kinds of deep cuts in youth and adult job programs, the elimination of the Title VI CETA countercyclical triggering provision or the abandonment of employment goals which have been reported. We find these reports particularly disturbing because many of those who are most supportive of strong anti-inflation efforts also believe that as these take hold the result will be an economic slowdown, if not a recession, accompanied by a rise in unemployment. We believe that the strongest possible employment, economic development and business development programs must be sustained if minorities, the poor

12/4/78
Black Leadership
Forum - Cabinet Room



and women are not to suffer bitterly -- and if federal, state and local budgets are not to be forced to absorb much of that loss in the paying out of unemployment benefits and in welfare costs.

2. HOUSING, COMMUNITY DEVELOPMENT, SOCIAL SERVICES AND ENERGY

In a period of austerity brought on by inflation, access to decent housing, food, energy, education, health care and transportation and suitable living environments become acutely critical for low and moderate income Americans. Slashes in housing and community development and other subsidy supports, high interest rates and the reduced capacity to cope with tax burdens among this part of the population make it more important than ever that Government provide them with as much assistance as it possible can, even as it seeks to reduce outlays.

We hope that you will be especially mindful of these realities as you examine the budgets and policies of HUD, HEW, Agriculture, Interior, Treasury, Commerce, DOT, EPA, and the Department of Energy.

3. URBAN AID AND OTHER NEW INITIATIVES

The needs of our cities require not only firm funding

support for those urban initiatives passed in the 95th Congress, but attention to the difficulties cities will face in dealing with mandated programs if revenue sharing and other aids are reduced, or if they are caught in an economic downturn with no economic stabilization machinery in place. We are aware that the new Budget is likely to have less room for new initiatives than in the past. But we sincerely hope that both in applying freezes and in examining new proposals, scarce resources will be concentrated in support of earlier Administration commitments to low and moderate income Americans, minorities and the cities.

Thus, such essential items as countercyclical aid to cities, labor-intensive public works, the National Development Bank, health care cost containment and some limited health and welfare initiatives should, we believe, be given priority over the kinds of new expenditures which might be considered if this were an expansionist period.

4. DEFENSE SPENDING

We hope you will agree with us that it will be difficult to mount a credible and equitable anti-inflation effort

if the Defense budget is to be exempt and a new Civil Defense program proposed which will further limit available funds for essential social and economic needs.

We trust that you will have instituted the most painstaking review of the Defense budget, in the knowledge that no area is free of waste and of enterprises that should be deferred -- and that the shrinking dollar affects not only Defense costs but the costs of programs that directly affect the domestic well-being of our citizens.

5. CIVIL RIGHTS/AFFIRMATIVE ACTION

Thanks in part to action taken by this Administration, there are now in various agencies across the Government education and training programs, loan and grant programs, minority economic and business development programs, and civil rights and affirmative action enforcement programs which are specifically aimed at narrowing gaps which have for too long existed between blacks and other minorities and the majority population.

We strongly feel that high priority should be given to the retention and adequate funding of these programs --

without which domestic human rights and the productive contributions of minorities to the nation will be greatly impaired.

Dr. Berkeley G. Burrell, President
National Business League

Mr. Julius L. Chambers
President
Legal Defense and Education Fund

Honorable Richard G. Hatcher
Mayor
City of Gary

Ms. Dorothy Height
President
National Council of Negro Women, Inc.

M. Carl Holman
President
National Urban Coalition
Executive Secretary, Black Leadership Forum

Mr. Benjamin F. Hooks
Executive Director
National Assn. for the Advancement of Colored People

Rev. Jesse Jackson
President
Operation PUSH

Mr. Elton Jolly (for Rev. Leon Sullivan)
Executive Director
Opportunities Industrialization Center

Mr. Vernon Jordan, Jr.
President
National Urban League
Chairman, Black Leadership Forum

Ms. Coretta Scott King
President
Martin Luther King Center for Social Change

(continued)

Dr. Joseph Lowery
President
Southern Christian Leadership Conference

Honorable Parren Mitchell
Chairman
Congressional Black Caucus

Imam Wallace Deen Muhammad
World Committee of Islam in the West

Mr. Bayard Rustin
President
A. Philip Randolph Institute

Honorable Herman P. Starks
Councilmember
Ward II, National Black Caucus of Local Elected Black Officials

Mr. Eddie Williams
President
Joint Center for Political Studies

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